



Hitachi Energy UK Limited  
Floor 24  
Alpha Tower  
Suffolk Street Queensway  
Birmingham  
West Midlands  
B1 1TT

NESO regulation team  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Via email: [NESOregulation@ofgem.gov.uk](mailto:NESOregulation@ofgem.gov.uk)

Friday 6<sup>th</sup> March 2026

Dear NESO regulation team,

I am writing to set out Hitachi Energy's response to Ofgem's '[Determinations for NESO1 Business Plan](#)' consultation.

### **About Hitachi Energy**

As you will be aware, Hitachi Energy is a global leader in technologies that increase the capacity, resilience and flexibility of the electricity grid. Leveraging £5bn of investment, we are harnessing best practices in the energy, industrial, mobility, IT and smart cities sectors around the world and delivering this insight to the markets that we operate in. We are a major investor in the UK, with a turnover of over £1 billion and operations across the country, from Shetland to Somerset and North Wales to Norfolk. We are continuing our growth journey in the UK with over seven hundred employees and are on track to more than double our UK operations over the last five years.

We are advancing the world's energy system based on renewable energy, the lowest cost, most secure and most sustainable source of power. As a technology leader, we collaborate with customers and partners to enable a sustainable energy future – for today's generations and those to come. We are already helping to bring clean energy to more than ten million UK homes by connecting the world's two largest offshore windfarms at Dogger Bank and Hornsea to the grid.

### **Our response**

#### **Overall views**

Overall, Hitachi Energy agrees with NESO's six Performance Objectives and Ofgem's assessment that they allow for comprehensive assessment of NESO's performance.

#### **Network development**

However, Hitachi Energy has concerns about Ofgem's Expectation of '*Greater competition and innovation in network development*' within Performance Objective A: Planning a Clean Energy Future. In particular, we are concerned about the Success Measure whereby Ofgem intends to assess whether this Expectation has been met by evaluating the '**number** of potential projects for competitive delivery'. We believe that Ofgem should assess this Expectation by the **quality and fit** of potential projects rather than the **number**, thereby placing a greater emphasis on the quality rather than quantity of projects.

This is because the increasing complexity of onshore and offshore transmission infrastructure requires highly competent organisations with sufficient expertise to develop and build it. For example, the development of an offshore grid in the North Sea, to which the Government has committed via the Hamburg Declaration, will require novel technologies and considerations, such as the interoperability of High-Voltage Direct Current (HVDC) systems. However, only a limited number of organisations have the necessary expertise to deploy and resolve these novel technologies and considerations. Therefore, it is crucial that parties involved in the development of network infrastructure demonstrate a minimum level of competence and track record of delivery to ensure that assets are delivered to a high standard in a timely and cost-effective manner.

Greater competition without an adequate emphasis on the **quality and fit** of projects also risks the timely delivery of network infrastructure and therefore the UK's wider clean power and net zero targets. From a supply chain perspective, the presence of both an increasing number of bidders and bidder engagements, particularly those that do not result in project delivery, is unwelcome. Bidders for one-off projects with a shorter-term horizon are less attractive to the supply chain than bidders with a longer-term pipeline of multiple projects. This is because the latter provides greater certainty to the supply chain for procurement and investment, enabling network infrastructure to be built more efficiently.

***Supply chain forecasting***

Following on from the previous point, Hitachi Energy believes that the role of NESO in forecasting future demand across the electricity system should be more explicitly cited in its Business Plan, given its importance in providing certainty for the supply chain.

**Concluding remarks**

Thank you for taking the time to read our response. Should you require further evidence or wish to discuss our response in more detail, please do not hesitate to contact me.

Yours sincerely,

**Dai Richards**

Director of External Affairs, Hitachi Energy

Email: [dai.richards@hitachienergy.com](mailto:dai.richards@hitachienergy.com)

Phone: +447711597466