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Sent by email to: DNOLCTPolicy@ofgem.gov.uk

Dear Jack

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

We welcome the opportunity to respond to this consultation on 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.

This is a non-confidential response on behalf of the Centrica Group – including British Gas, Hive and PH Jones, which provides installation, servicing, repair and maintenance services for heating, electrical and renewable systems in the UK social housing sector.

Centrica believes the most effective way for DNOs to support the mass rollout of low-carbon technologies (LCTs), alongside the increased deployment of energy efficiency measures in GB homes, is to improve the information, processes and services they provide to the commercial and public sector organisations already involved in delivery. This includes undertaking the necessary network reinforcement, facilitating access to flexibility markets for domestic LCTs, and working more closely with installers and manufacturers to streamline connection processes for domestic installations. A key enabler would be for Ofgem to implement, ahead of ED3, as many of the End-to-End Review[1] Theme 6 proposals on minor and smaller connections as possible.

[1] Ofgem Connections end-to-end review: updated proposals and next steps 8 December 2025

We do not believe that DNOs should be involved in directly delivering LCTs or energy efficiency measures into people's homes as a business-as-usual activity.[2] We believe this is primarily a role for organisations with experience in delivering these services - typically commercial providers and/or housing providers (local authorities, housing associations etc). Competition is already embedded in these pathways, which is essential to drive down costs for consumers and ensure innovative, fit-for purpose customer propositions.

By contrast, DNOs are not structured in a way to provide installation services into consumers' homes. They do not have dedicated customer proposition teams, the engineering workforce required for LCT installations, or the appropriate customer contact infrastructure to support household engagement. Their core expertise lies in network operation and planning, not in delivering consumer installations. Any approach should therefore, focus on enabling and coordinating rather than direct delivery, ensuring that competitive markets continue to play the primary role in driving forward efficiency for consumers.

We respond to the individual areas where Ofgem has requested feedback below.

Chapter 2 - Overarching rationale

1. 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?

DNOs have a pivotal role to play in the energy transition as their activities are essential to facilitating the efficient connection of LCTs to their networks.

The best way for DNOs to support the delivery of LCTs is by Ofgem requiring DNOs to improve connections service delivery levels to the market overall. Therefore, it's essential that Ofgem implements at pace the Theme 6 – Minor/Smaller Connections proposals from its December 2025 End-to-End Review Updated Proposals – for example via standardisation of DNO processes and the introduction of Service Level Agreements (SLAs). This should be complemented by improved data sharing and digitalisation tools, as well as the timely delivery of local network upgrades.

We do not believe DNOs should be mandated to deliver low-carbon technologies (LCT) into people's homes. This is primarily a role for commercial providers. In the case of lower income and other vulnerable customer groups, delivery can also be better provided by local authorities, housing associations and/or charities procuring devices and installation services from the competitive market.

We believe DNOs could support a cost-effective energy transition by undertaking some additional activities to support an efficient rollout and reduce network costs, but this should be tightly scoped to DNO competencies and supporting LCT delivery by third parties.

[2] We recognise there has been an element of delivering LCTs as part of DNO innovation trials and welcome the fact that DNOs have increasingly partnered with commercial providers (installers, energy suppliers and flexibility aggregators) for installation and service provision.

We encourage DNOs to engage with energy suppliers, flexibility service providers and installers on how DNOs can support and work with the competitive market in delivering a cost-effective energy transition.

Chapter 3 – Enhanced Co-ordination

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

Broadly yes, Enhanced Coordination is useful if tightly scoped to DNO competencies such as:

- visibility of network constraints, and other data provision
- flexibility service procurement in line with their Condition 31E requirements
- coordinated planning with local authorities, NESO, heat network coordinators sharing location-specific data
- standardising processes and platforms

However, DNO coordination must not drift into service delivery, consumer engagement, or installation functions. Any expansion of role must avoid distorting competitive markets.

There is a risk that too broad an Enhanced Coordination role could divert DNO resources away from core competency tasks which could generate a greater contribution towards delivering the Clean Power 2030 objectives.

3. 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?

We had little to no awareness of the Smart Optimisation Output Collaboration Plan or the System Visualisation Interface (SVI) requirement before this consultation. This suggests that DNOs are not promoting them to commercial installers and/or energy companies – which is a potential gap. We are however familiar with some of the content as it replicates material in DNO Digitalisation Strategies and DSO reports.

We would support strengthening the license obligation to improve the quality and availability of data to DNO stakeholders, including commercial installers and energy market participants.

We agree that the Collaboration Plans could be improved by strengthening requirements to identify key stakeholders and increase stakeholder engagement, including integrating stakeholder plans into network planning. We are keen to see DNOs work more closely with national and regional installers like British Gas/Hive/PH Jones, and manufacturers on their expectations for the mass rollout of domestic LCTs.

We support the inclusion of Scheduling and Co-ordination Agreements (SCAs) into the Community Collaboration Plans if these are defined as the proactive sharing of network and retrofit investment plans. As suggested above, DNOs could also engage with national and regional commercial installers and LCT manufacturers on their plans.

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

Our teams leading the delivery of LCT installations for British Gas, Hive and our third-party partners have provided the following feedback on the data that DNOs provide:

- Regarding network configuration, DNOs are often unwilling or unable to share fundamental information relating to their infrastructure with installers.
- One specific example is the earthing arrangements associated with powered street furniture.
- This lack of transparency presents a growing safety and delivery risk as EV adoption accelerates, particularly in relation to Simultaneous Contact hazards. To address this, there is a clear need for:
    - a nationally standardised information request platform
    - defined SLAs setting clear expectations for response times, data accuracy, and the minimum level of technical detail to be provided
    - better publishing of constraints, asset condition, and earthing information.

5. 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?

We believe strengthening the SVI would be beneficial if:

- it improves real-time visibility of network constraints.
- it integrates NESOs RESPs data, Local Authority (LA) zoning, spatial heat demand, and EV/heat pump uptake forecasts.

We could see the case for asking DNOs to integrate data sets from other providers, such as Energy Performance Certificate (EPC) data and council tax exemptions, but only if it is readily available. To keep costs down, data that is practically available should be targeted.

Ofgem should consider if it is requiring DNOs to produce multiple similar datasets and therefore whether DNOs and their stakeholders would benefit from these being streamlined into one data set or graphical interface.

6. 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?

We support DNOs engaging with and supporting local authorities in their development of local decarbonisation plans.

To further support the development of heat networks and Heat Network Zone Co-ordinators, DNOs could work alongside local authorities to identify potential areas for deployment.

On the provision of tools or software, DNOs should, wherever possible, develop a single solution capable of meeting the needs of both local authority and commercial stakeholders. Commercial providers require access to much of the same information, and a common tool would be particularly beneficial where they are working in partnership with local authorities and housing associations to deliver programmes.

7. 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?

Ideally iDNOs should be as involved in a supporting local authority decarbonisation planning as DNOs. This would certainly be appropriate for some of the larger iDNOs with significant numbers of domestic customers.

We are aware that many iDNOs are not members of the ENA. Ofgem and the DNOs should ensure that iDNOs are involved in development conversations.

8. 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?

Given the early stage of RESPs, we have limited data on how they can best integrate, it is therefore important to engage DNOs in the development process. We believe RESPs should be used to inform DNO planning and forward-looking reflection. It should be noted that RESP areas and DNO areas do not match, it should be ensured this is not detrimental to DNOs enhanced coordination role.

Chapter 4 – An Expanded Role

9. 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?

We do not believe DNOs are the right parties to deliver low-carbon technologies (LCT) into people's homes. We believe this is primarily a role for commercial market participants and social housing providers. Competition is essential to drive down costs for consumers and ensure innovative, fit-for purpose customer propositions.

DNOs are not structured in a way to provide consumer installation services. They do not have dedicated customer proposition teams, the engineering workforce required for LCT installations, or the appropriate customer contact infrastructure to support household engagement. Their core expertise lies in network operation and planning, not in delivering consumer installations.

We welcome Ofgem's clear steer that, should it decide DNOs should take on an Expanded Role, they would be expected to work in partnership with suppliers, commercial installers, flexibility providers and other market participants in delivering that role. We agree this would need to be firmly grounded in market-based arrangements. In practice, that means delivery should be subject to competitive tendering, and any flexibility services enabled by those installations should be procured and dispatched through the established competitive DSO and NESO markets.

On Ofgem's proposals for an area-based or targeted delivery approach, we consider this model to sit more naturally with local authorities and social housing providers. These organisations are already well placed to support, and often already engage with, the types of households identified in the consultation.

10. 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?

We understand the theory but believe that it will be difficult to quantify all the benefits in practice. Plus, some of these benefits – whilst important – sit outside of the DNO's core competencies.

There is an added complexity in that apparent benefits in one area may create unintended adverse effects elsewhere. For example, while flexibility from DNO-controlled assets may appear to offer system value, the manner in which that flexibility is procured or deployed could weaken the investment case for other consumer flexibility assets and distort wider market development.

11. Do you have any views on the archetypes presented and their implications? Do you have any other approaches we should consider?

Identification of suitable properties and consumer engagement

We feel local authorities and social housing providers are better placed to do this - or commercial providers who are used to advising consumers on appropriate installations, including consumers using government-funded schemes.

If the installed assets are being used to participate in flexibility markets, then the householder may not have any of the protections that will be afforded under the SSES Load Control Licensing regime. This includes the ability of the householder to switch flexibility services provider.

On responsibility for installations

We do not support DNOs directly installing measures in home using in-house teams. If Ofgem were to approve a more interventionist expanded role for DNOs we would expect installation to be done by competitively procured third-party installers.

Arrangements would need to be in place to cover warranty repairs and servicing.

On ownership and control of assets

There is a clear risk that if a DNO effectively owns and operates the installed assets then this could undermine the DNO's DSO flexibility market. The DNO assets could represent 'free' flexibility – how would this be dispatched relative to flexibility consumer-led flexibility entering the DSO's procurement rounds?

The rights of the consumer also need to be considered. With commercial provision, by the start of ED3, consumers will be protected by the requirements of the new SSES Load Control Licence. It's unclear what consumer protections would be in place for assets under the direct control of a DNO.

12. 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?

We agree that DNO and DSO pilots to date have been valuable in demonstrating the benefits of consumer-led flexibility and in improving understanding of consumer needs, preferences and behaviours. We are certainly not opposed to piloting. However, such trials are most effective when designed and delivered with the active participation of commercial market actors.

We would encourage Ofgem to ensure that DNOs and DSOs engage not only with the commercial parties directly involved in individual trials, but also with the wider market. This is important both to support the transition of successful pilots into business-as-usual activity and to identify any unintended negative consequences at an early stage. In our view, some previous DNO trials involving consumer-led flexibility have not done this sufficiently well.

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

This is best answered by iDNOs, as we are not keen on DNOs having an Expanded Role.

I hope you found this response useful. If you would like to discuss anything in further detail, please contact me at helen.stack@centrica.com.

Yours sincerely

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