

Community Energy Pathways response: DNOs' future role in supporting the rollout of low carbon technologies

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?

Community Energy Pathways supports the role of DNOs as a coordinator in the energy transition and the rollout of Low Carbon Technologies that integrate with the energy network. In 2025, we provided over 20,000 energy advice sessions with local people as a strategic partner in UKPN's *Leaving No One Behind* Programme. We also partnered with UKPN on an NIA programme called CommuniHeat with a selected rural community that outlined the impact of whole decarbonisation transition versus no decarbonisation, demonstrating significant potential savings to customers.

DNO involvement is essential and should not be delayed any further as it risks becoming the limiting factor of the transition. They should play a trusted coordinating role and continually innovate and target specific communities that are ready to transition. To ensure this success, the delivery partners need to be trusted and deliver quality services with clear ambition to reduce energy bills and support vulnerable customers. Working with 'trusted stakeholders' is key to success.

ED3 provides an ideal opportunity to cement the DNOs role in supporting strategic partners to deliver in depth energy advice in the home, and then potentially to extend their role in the customer journey to the installation of LCTs. The proposition of this new role creates the opportunity for a *proactive* form of energy advice which solves problems before they arise, rather than the current *reactive* model. In addition, there is a clear role for community education and handholding after LCTs are installed to allow for new interventions and best use of systems.

Community Energy Pathways' view is that area based and targeted delivery of energy efficiency will be the most effective, and DNOs are well placed to play this role of regional facilitator. The DNOs can ensure that communities are lined up and ready for LCT rollout – by streamlining Local Authority, installer and '**community readiness**'. The targeted approach could be towards secondary substations which will require close coordination between the delivery agent, the community and the network. We have witnessed the positive role of the DNO as a DSO coordinator through our experience with UK Power Networks. UKPN have played a pivotal role in area-based

capacity through LAEP+ and other products. Community Energy Pathways has worked with community energy groups and UKPN to deliver targeted LCT energy advice in specific areas, which has led to creating hyper informed energy communities.

By carrying out area-based delivery alongside **community readiness** programmes, consumers can benefit from these initiatives and integrate with the Grid to allow dynamic smart local energy systems that can benefit from time of use tariffs and flexibility. This will then allow the DNOs to reinforce the network allowing for LCTs in targeted areas and saving money in network reinforcement. It will also require local energy champions to work alongside these projects to support vulnerable customers allowing them to benefit from lower energy prices. The energy champions can be supported by Community Energy Companies and work as a resource for Local Authorities. As such, community energy groups are primed as partners to collaborate with DNOs at the grassroots level for grid and project planning. These community groups are also vital for bringing along vulnerable and fuel poor customers on this journey. DNO companies do not in general have sufficient social capital to develop this trust as effectively as locally based partners - a trust which is already held by community energy groups. Community energy must therefore be at the centre of this delivery partnership between government and the DNOs, for the ultimate benefit of the consumer journey.

***Community Readiness** – *this is when a community is fit and supported to deliver area wide decarbonisation. To be place based and community ready, we need multiple stakeholders and collaborators to be aligned, informed and supported by local policy-based support. Community Energy Pathways has delivered such programmes - see our impact report [Annual Impact Report - Community Energy Pathways](#)*

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

Community Energy Pathways is in favour of the proposed enhanced coordination role, which sees DNOs becoming responsible for planned, place-based electrification, and moving beyond a market-led rollout, which will not meet government electrification targets in appropriate timelines. This is certainly a positive and necessary move. Strengthening DNO's role will help convene relevant stakeholders, ready them, improve their engagement with the data, and overcome fragmentation of local actors, which is currently a key barrier.

However, for this planned approach to deliver meaningful outcomes for customers, this coordination must not be only one-directional, top-down. Current DNO data will be insufficient for planning without granular, community-level insights and engagements.

Community-led approaches such as our Parish Energy Plans will supplement the RESPs, as they account for community willingness, local housing stock data, and barriers faced by residents, while at the same time building trust and buy-in through community workshops. This will be essential for network planning to reflect local need, especially in fuel-poor and under-surveyed communities.

The enhanced coordination role should also account for local community energy generation, not just local demand for low carbon technology. Coordination needs to not only focus on heat and transport but also incorporate and support local generation projects especially with the arrival of the Local Power Plan. DNOs should engage with community energy groups and ensure that their generation projects are adequately integrated into their network upgrade plans from the outset.

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

We are pleased to see the proposal for CCPs as a way of formalising local engagement and coordination, however, as they currently stand, there is a risk of them becoming a procedural consultation, rather than genuine and meaningful community consultation. What is needed is community co-design of future planning? CCPs could be improved by integrating a requirement for a process such as the Parish Energy Plans, which doesn't simply engage local stakeholders in a one-off process, but builds ongoing partnerships and involves the community in the co-design of their energy future. This is essential because local authorities are not the sole representatives of the community, and they are often far too stretched to meaningfully engage with such a process and reflect the diversity of community needs.

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

Our experience has predominantly been with UKPN's LAEP+ tool, which is valuable in certain respects, such as for providing high-level system insights such as network capacity and enabling initial estimates of low-carbon technology potential, including rooftop solar and heat pump uptake. However, access can be a barrier for community energy groups, as LAEP+ has to be shared via local authorities, which creates challenges where relationships with LAs are weak or underdeveloped. The biggest limitation is that data is presented inconsistently across DNOs, with different formats, platforms, and portals, making it difficult to compare or aggregate information at a national level. There are also issues with data quality, particularly at the edges of datasets.

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?

Strengthening the System Visualisation Interface requirement could be highly valuable, particularly if it results in publicly available DNO mapping tools that allow different datasets to be layered on top of each other, such as grid capacity layered on top of local need. It is also very useful for our local mapping to be able to map non-network data within these programmes, such as flood maps and protected areas. UKPN's LAEP+ tool is already starting to make this available but consistency is needed across all DNO tools.

In terms of additional datasets, energy consumption data at a household level would be among the most valuable, but there are obvious obstacles there regarding data privacy.

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?

Creating visualisation and mapping tools such as LAEP+ and LENZA and training Local Authorities on how to use these will be valuable. It is important for local authorities and other stakeholders that operate across more than one DNO licence area that the tools are the same, ask for the same input and produce the same output.

While these tools are an important base layer there is more that can be done. UKPN are developing an Opportunity Finder tool that allows stakeholders to operate at a much more granular level and identify renewable generation opportunities.

It is also vital that Local Authorities are not considered a delivery partner. Limited resource and inconsistent resource across time and geography make them unreliable. Local Authorities are key to accessing wider community stakeholders who, with consistent support and clear expectations can be the hyper-local delivery partners the DNOs will need.

We strongly argue that the term "and others" must be explicitly defined to include Community Energy Groups. While Local Authorities are vital strategic partners, they often face capacity constraints and confidence gaps. CEP and other community activators act as an essential bridge, translating technical DNO data into community-led action.

Community Energy Groups and community support organisations such as CEP will be vital partners in hyper-local planning and the data collection mentioned in the consultation. Gathering data about LCT uptake and attitudes/intentions towards adoption will be vital for accurate local planning. It has already been demonstrated

through our work with UKPN and SGN on energy advice projects that community energy groups have the reach and local trust to access thousands of residents. This hyper-local engagement can be harnessed to gather data and build plans that not only provide vital data to the DNO but act as a planning process for the local community to drive decarbonisation and energy efficiency.

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?

RESP development is a welcome layer of planning that can guide DNO activity. However, the scale at which RESP operates makes it difficult for hyper-local activity and planning to be meaningfully incorporated. DNOs are well placed to work with local partners to bridge the gap. For example, DNOs can define target locations that meet both demographic and system planning needs. They can then work with intermediaries such as CEP to activate the community in that location to a) gather data about plans, attitudes, and potential tipping points and to b) ensure readiness for accelerated adoption of LCTs at an appropriate scale.

The RESP process is like building the edge of a jigsaw puzzle. The DNOs will need to identify and organise the shape of all the central pieces and the local community will need to add the picture.

It makes sense for DNOs to be interpreters of local data for the RESP process. LAEPs and the hyper-local planning described above should feed into DFES and other DNO plans before going into RESP.

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?

CEP is in support of the intent behind the DNOs expanded role which is to intervene in the move to electrification and be less reliant on a market-led approach. This is particularly important for ensuring that fuel poor communities are not left behind. A proactive place-based approach to delivery is important for accelerating the uptake of LCTs and meeting time-sensitive climate targets.

However, we do not think that DNOs should be solely responsible for leading end-to-end delivery of such programmes as proposed in the 'expanded role', because ultimately they operate via a commercial, profit-motivated framework which won't always align with the social and environmental outcomes we must prioritise in this

rollout. However, we do recognise that the DNOs and Ofgem value the benefits to the consumer and this should be considered when formalising the expanded role.

We do strongly support the use of pilot projects to test targeted, place-based delivery models, which must be done in partnership with community energy groups. To accelerate the rollout of energy efficiency across the network, pilots should be delivered and assessed for their scalability.

Through our work on the place-based Parish Energy Plans and other community energy capacity building projects, we have identified several communities across the country that would be strong candidates for such pilots, with established local engagement, data, and delivery readiness. We have also carried out a similar pilot project with UKPN called CommuniHeat which aligned and prepared Barcombe Village in Sussex through a community energy plan informing the impact of decarbonisation on reinforcement of the grid. Finally, it will be critical to robustly assess the long-term impacts of DNO coordination on consumer bills, and it must be ensured that any socialisation of costs delivers equitable benefits and does not disproportionately burden those least able to pay for the home upgrades.

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?**

For heat pumps to provide wider *system* benefits, they need to be rolled out in conjunction with a holistic package of installations and information. Installed together with solar, batteries and fabric retrofit in collaboration with a smart tariff, heat pumps can provide a benefit to both consumers and the wider system. These installations also need to be rolled out with a package of education for consumers, as the benefits will not be realised if the domestic system is used incorrectly. Whilst this is a high-cost and intensive option, these ultra-flexible, low carbon households will become a key aspect in managing demand for the grid at large. Community Energy groups would be key partners in the education and activation of community members.

Taking a wider, more area-based view, the DNOs could play a key role in supporting the development of heat networks.

- **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?**

We would like to emphasise that deep community engagement is required to deliver any of the presented archetypes. This needs to be coordinated by public facing organisations with the social capital and expertise to engage, co-create and inspire action. Our assertion is that the community energy sector is already doing this in collaboration with DNOs and Local Authorities, but this relationship is not formalised or consistent. We would like to see Community Energy specifically named as a key collaborator in the development and delivery of these plans, particularly in relation to engagement and community activation.

Most consumers do not know what a DNO is, or which DNO region they live in. It should not be underestimated how much time and work goes into building awareness and trust. Community Energy organisations have been building this trust for decades – particularly through public facing energy advice projects, which have supported the most vulnerable community members.

On the identification of suitable properties, streets or areas, DNO's certainly have an essential role to play. Taking an approach which marries the suitability of residents with the feasibility of upgrades from a grid perspective is an important function which the DNO is best placed to carry out. Ensuring that these improvements are planned strategically will increase their efficiency and chance of success. The DNO's role seems best suited to coordination of projects and identification of suitable delivery locations using its access to high quality data.

Based on CEP's experience of engaging with consumers, we would suggest that local authorities are vital partners in understanding the specifics of local people's priorities – which is never uniform from place to place – and connecting activities to local leaders and existing projects.

- **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?**

Community groups have developed a range of approaches to funding domestic installations to make the most of both economies of scale and area-based approaches. These approaches include bulk buying and installation of solar panels on domestic properties, with customers paying back the cost through bill savings. Community groups have also developed street by street approaches to retrofit to maximise cost savings and limit disruption to communities.

Each of these models are built on community trust and deep community engagement. Significant amounts of work have already taken place to begin trialling these models, and there seems to be a great opportunity for DNOs to tap into this work through collaboration with community energy organisations.

As part of the expanded role for DNOs we would like to see a mixed funding model which sees finance options be made available for community groups to act as intermediaries between DNOs and consumers. This approach can see community energy organisations and DNOs collaborate to co-create area-based plans for trial communities.

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

The benefits of DNOs taking responsibility for installations are not clear to CEP. DNOs taking on this function does not solve supply chain issues or the green skills gap. It does not seem to provide more certainty or security for consumers. It does not address (directly) the cost or education barriers which stop many consumers from undertaking installations. Information on this option is limited in the briefing document, so it is unclear if there is further assumed benefit. On the provided information it seems that working collaboratively with Community Energy groups and existing LCT installers would be a more efficient and less risky option for the DNOs.

- **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?**

There is scope here through a combined approach – DNOs could fund the assets within some select trial communities initially. This could be to test approaches, create exemplar communities and to test the scope for financial benefit (i.e. through reducing cost required in grid reinforcement). Once these archetypical communities are through the process, DNO backed finance options could be rolled out across a range of communities to complement existing government home improvement grants and loans. These DNO backed options would 'fill the gap' between existing schemes to allow for whole area approaches to include able to pay and vulnerable customers.

CEP's stance is that DNOs owning distributed assets on residents' properties, beyond pilot communities, is not the optimal approach. DNO financing being used to back community and resident ownership aligns more closely with existing models, protects consumers, and reduces risk for the DNO.

We believe that there is a middle ground between the ‘widening participation’ and ‘focused intervention’ approaches in which targeted financial support is provided, without DNOs retaining ownership of distributed assets. This pathway would be closer to the community approach in which communities own the assets and residents pay back the cost of the assets through bill savings.

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?

CEP supports the idea of collaborative pilots in which community energy groups and local authorities collaborate with DNOs. This model closely aligns with CEP’s Parish Energy Planning programme which works with communities to co-create local roadmaps to decarbonisation. In this project we have tested the process in a range of archetypal communities to understand the different needs, priorities and challenges of these communities.

DNOs have the capability to act as a bridge between the Local Power Plan, the Warm Homes Plan and the RESPs. Each of these provide significant potential benefit, but a linked up, area-based approach which works with communities is needed. The DNOs are in prime position to fill this role in collaboration with Community Energy, and these pilot communities would be vital in testing the approach and proving the concept.

On this basis, the pilots should focus on taking a local planning approach to the energy transition. How does a collaborative, area-based approach impact the uptake of generation technology? With the sub focus on 1) how this uptake impacts and supports vulnerable customers and 2) how does this uptake increase grid efficiencies and reduce cost?

To test area-based approaches, appropriate financing is needed to unlock participation for all community members. Pilot communities should be given access to a range of financing options in addition to government support to understand how these options impact uptake.

We would also recommend the testing of two pilot projects against each other, one with in depth community engagement via a community energy group, and one with more ‘traditional’ community engagement, such as public exhibitions, surveys, and emails. This will allow Ofgem to deduce the best approach to community engagement and the value of local champions.

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

Any requirements introduced for DNOs as part of an enhanced coordination or expanded remit role should also be applied for iDNOs to prevent a fragmented approach that can exclude certain communities from the rollout of LCTs.