

2nd April 2026

Dear Sir or Madam,

DNO's future role in supporting the rollout of low carbon technologies Consultation

Please find attached the response from the Northern Powergrid Independent Stakeholder Group. We are offering general comments rather than answers to specific questions posed, the reason for which will be clear from our response. We trust that you will find our observations helpful.

Yours faithfully.



C J Murray MBE

Independent Chair NPg ISG

There is potentially a lot of value in the Enhanced Coordination role for DNO's, and in the Expanded roles discussed later in the consultation. However, the scope of this role is not yet well defined. It could encompass a wide range of activities: data provision, technical support, project management, consumer engagement, stakeholder management and business process definition for example. DNOs/DSOs are well placed to handle some of these activities, but their capabilities in activities such as consumer engagement and stakeholder management, while growing, are still very limited compared to the task in hand and they most certainly don't have the direct consumer relationship that suppliers or local authorities might have. There is a risk that designating DNOs as the "Enhanced Coordinators" would cause a range of stakeholders to see them as the lead party on all these activities. If the DNOs are not fully capable to step into all these roles, that would create gaps and confusion as to who is responsible for what.

We therefore think that Ofgem should more fully map out what activities are covered by the Enhanced (and Expanded) Coordination roles, and develop options for how these activities might be allocated between DNOs, suppliers, local authorities, RESPs, social landlords, equipment manufacturers, installers and potentially other parties. That would clarify what role the DNO is best fitted to take, what capabilities it would need to develop, which other parties it would need to work with and in what type of relationship. Without that clarity, designating the DNOs as "Enhanced Coordinators" is unlikely to realise the potential value of this role.

Having thought about these challenges and whilst we absolutely understand why Ofgem are posing the question, we are concerned that the magnitude of the task at hand will be far greater than can be delivered by DNO's taking on an enhanced co-ordination role. The consultation shares a reasonable rationale as to why DNO's might be well placed to undertake such a role but we believe that, in order to enable mass rollout of LCT's to customers to take place, a far more significant endeavour will be required. We would point to past very successful Warm Zone rollouts and would advocate the creation of Institutions to enable and oversee the transition. Significant resources will be required and we could see a model where DNO's and Strategic

authorities formed JV's in order to accelerate delivery, particularly as it seems to us that the role being considered for DNO's could be seen to be crossing over with the roles of local and combined authorities.

Even then it may be that the approach would not be universal across the whole country due to differing local circumstances. For example, in areas where there are Mayoral Combined Authorities it would be interesting to consider whether those bodies could be designated by Ofgem as the arbiters of what specific role a DNO may play in order to avoid the issue of Ofgem making policy choices via regulation.

We do appreciate that, in consulting on this issue, Ofgem is looking for DNOs to continue being more active in enabling demand reduction, local energy planning and retrofit rather than being passive and leaving this to suppliers. We know that demand efficiency and demand reduction are closely linked, and LCTs can support this, but not without efficiency measures being considered if to be effective, particularly with ECO scheme changes creating a void in respect of how this is delivered and who pays if we're really delivering a just and fair energy transition.

We are seeing clear DNO activity in promoting LCTs, but suppliers are also rolling out their own install programmes (which are unregulated largely). Hence, there is a bigger question of how we ensure this is delivered effectively in a way that has customer protection built in and provides clarity over roles and responsibilities. There is a big job to do to reduce and reshape demand and there is a question about how this becomes part of a regulated framework as part of critical national infrastructure when you've still got parts of the sector delivering this as effectively 'lifestyle choice' or even social policy.

We also have doubts about the overall usefulness of just more and better data, and even visualisation. As long as it is only data, in whatever form, is there not a substantial risk that whoever is using the data may not interpret in the same way as the DNO does – which becomes a problem if the third party then commits to investment based on its understanding but without any contractual commitment by the DNO. So whilst more and better data is hard to resist, we do have concerns that in order to achieve the objectives, there are other commitments/incentives that may be needed for DNOs.

We would also like to understand the anticipated role of IDNOs. They are mentioned in relation to the expanded role, but what is Ofgem's plan for IDNOs in Enhanced Co-ordination for the millions of customers connected to them?

We are also interested to understand how will Ofgem ensure value for money and efficiency? These are newly proposed activities, probably hard to measure objectively, and could be very significant compared with DNOs' existing business support costs. The proposed enhanced role is very different to DNOs' current obligations and focus and although not an argument against it, will probably be a big burden for Ofgem in trying to fund it appropriately.

Turning to the potential future requirements of ISG's as laid out in para 3.6 of the consultation and then subsequently paras 3.31-3.34 we were surprised by much of what we read. Clearly the reference to "Customer Engagement Groups" in para 3.31 was a drafting error but we were rather stunned by the assertion that: "The current Customer Engagement Groups (which should have read Independent Stakeholder 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." The NPg ISG has a very active role in monitoring performance during the price control and, in our view, and we thought Ofgem's, is far better placed to monitor the quality of DNO stakeholder engagements, not least because we seek to physically attend them on an ongoing basis. We don't "down tools" once the business plan is submitted and play a very active role in challenging the DNO that the commitments made in their ED2 business plan are being delivered. Having consulted with all the other ISG's, which of course are mandated by Ofgem, they are all equally bemused as to what Ofgem was seeking to convey in these paragraphs.