

Net Zero Strategy Team
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Optimal Power Networks
1 Forbury Place
Reading
RG1 3JH
0345 078 3237

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

2 April 2026

Dear Net Zero Strategy team

Optimal Power Networks' response to DNOs' future role in supporting the rollout of low carbon technologies consultation

This is a response to Ofgem's consultation published on 3 March 2026 regarding the future role of DNOs in supporting the rollout of low carbon technologies and energy efficiency measures.¹ The response is sent on behalf of the Independent Distribution Network Operator (IDNO), Optimal Power Networks.

We support the objectives set forward in the consultation and recognise that DNOs could play a stronger role in facilitating the rollout of low carbon technologies (LCT) and energy efficiency (EE) measures.

We support an Enhanced Coordinator role for DNOs as better coordination and information sharing can support more efficient planning and enable customers to benefit from more joined up support. With clear regulatory alignment and cost-recovery routes, it would incentivise DNOs to develop their data visibility and system planning capabilities. This would further allow for second-order benefits across operations, such as clearer alignment between system needs and local activity. However, we do not support an Expanded Role for DNOs, this would represent a significant shift in their responsibilities and risks diverting significant resource away from other key DNO activities.

IDNOs and private networks are not well placed to coordinate the rollout of low carbon technologies and energy efficiency measures. Their networks are typically small, fragmented and non-contiguous, and they do not have the requisite widespread visibility of local network conditions or customer data to undertake effective coordination.

IDNOs could play a supporting role through the sharing of relevant information with their host DNOs. Ofgem should explore the kind of data that could be shared and how IDNOs would be funded for such activities. Data sharing could include selective network data, priority service register-related information, or anonymised spatial data on LCT uptake by technology type, where appropriate and requested by DNOs. This could help installers target high-potential areas, reduce failed connections, and support local authorities' energy planning. It would also improve system-wide visibility, as IDNO networks are currently a data gap. Unless it is possible to introduce clearly defined cost-recovery mechanisms for IDNOs which

¹ [DNO Low Carbon Technology - Energy Efficiency role in ED3 | Ofgem](#)

enable IDNOs to recover costs of supporting host DNOs, IDNO involvement would need to be on a voluntary, incentive-based basis.

Ofgem should explore whether more could be done to enable innovative business models which could see IDNOs play a greater role in the delivery of LCT and EE measures, supporting the DNOs' regional coordination activities. In particular, IDNOs could offer bundled LCT and energy efficiency propositions to those connected to their networks, which have the potential to reduce delivery costs and improve overall cost efficiency where they can be offered in a targeted and proportionate way. However, at present, we believe there are various regulatory barriers limiting the ability of IDNOs to work with others to deliver these measures, for example, business separation regulatory requirements prevent IDNOs from also offering bundled EE or LCT offerings to customers. Such bundled offering by IDNOs could be a means of accelerating the rollout of these technologies. We are open to working with Ofgem to consider this issue further, for example exploring whether it is appropriate to use a regulatory sandbox to explore new business models.

Our response is not confidential.

Yours sincerely,
Aaditya Goswami
Regulation Analyst

Appendix - Responses to selected consultation questions

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

IDNOs could play a supporting role, primarily through the sharing of relevant information with their host DNOs. This may include selective network data, Priority Service Register (PSR) related information, or anonymised spatial data on LCT uptake by technology type, where appropriate and requested by DNOs. This would help installers target high-potential areas, reduce failed connections, and support local authorities' energy planning. It would also improve system-wide visibility, as IDNO networks are currently a data gap. To enable this, Ofgem would need to standardise data formats and put in place appropriate incentive mechanisms, rather than mandatory requirements, alongside clear and proportionate cost recovery arrangements for IDNOs.

We recommend further market research to better understand the kinds of customers that are on IDNO and private networks. This could help outline segments of customers that are on these networks that would most benefit from LCT and EE uptake to allow for a targeted approach to outlining the role of IDNOs and private wire in supporting the enhanced coordinator role.

Ofgem should explore whether more could be done to enable innovative business models which could see IDNOs play a greater role in the delivery of LCT and EE measures. At present, we believe there are various regulatory barriers limiting the ability of IDNOs to work with others to deliver these measures; for example, business separation regulatory requirements prevent IDNOs from also offering bundled EE or LCT offerings to customers. Such bundled offering by IDNOs could be a means of accelerating the rollout of these technologies. We are open to working with Ofgem to consider this issue further, for example exploring whether it is appropriate to use a regulatory sandbox to explore new business models.

Q13. How could iDNOs support the proposals in this portion (Expanded Role) of the consultation?

We do not support an Expanded Role for DNOs. This would represent a significant shift in their responsibilities, and crucially, risks diverting significant resource away from other key DNO activities. Enabling this role would require visibility of the route to legislation and licence changes, the impact on the financial framework, and the implications for competition. At present, the expanded role is not sufficiently justified.

As previously described, easing current separation constraints could permit IDNOs to offer bundled LCT/EE propositions where appropriate, providing DNO coordinators with additional delivery partners in areas where customers may benefit most. This approach would also avoid the competition and market distortion risks associated with DNOs undertaking direct delivery themselves, while allowing IDNOs to responsibly leverage wider group capabilities under a controlled, proportionate framework.