

## DNO Low Carbon Technology - Energy Efficiency role in ED3 Ofgem

### UK100 Submission

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This submission is from UK100 which is a network of 122 local authorities and the only network of ambitious councils led by all political parties working together to tackle climate change. We help local leaders overcome challenges and turn innovation into solutions that work everywhere. We build the case for the powers needed to make change happen. From cities to villages, we help communities across the UK create thriving places powered by clean energy – with fresh air to breathe, warm homes to live in, and a healthy natural environment.

We also recently co-hosted an online event with the NESO team for local authorities (UK100 members and beyond) in England to support the RESP Methodology Consultation process, and have long championed the role of local energy planning to support local decarbonisation.

We have not included the questions we are unable to answer or where we don't have an established view.

### **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?**

- **Overall position:** We broadly agree that DNOs should play a role in coordinating and supporting a cost-effective energy transition. DNOs are uniquely positioned to contribute to this, given their central role in network planning and operation, their access to granular system data, and their existing relationships with local authorities and community energy groups. Their insights into network capacity constraints and connection opportunities are critical to ensuring that LCT deployment is aligned with system needs and delivered efficiently.
- **Clarity of policy intent:** However, it is important that Ofgem is clear on the overarching policy intent behind this expanded role. Whether the primary

objective is to maximise overall LCT uptake, prioritise support for vulnerable and lower-income households, alleviate network constraints, unlock economic and housing growth, support delivery of the Government's Warm Homes Plan, or a combination of these, will significantly shape the design of any intervention. Greater clarity on this point is essential, as different objectives may require different delivery models, incentives, and levels of DNO involvement.

- **Meaningful and resourced engagement:** Local and combined authorities will be key stakeholders in this process, as we outline in our [award winning toolkit](#), but they currently have no statutory duties on energy and widely varying levels of capacity, expertise and resource. They will also have significant levels of engagement on the RESP process, apart from working on internal energy priorities. Without further clarity about their role and dedicated support there is a risk that engagement will favour areas with stronger institutional capacity, existing devolution arrangements or more advanced energy planning, reinforcing regional inequalities. We [restate our position](#) that there should be a funded framework for the development of local area energy plans in all parts of England, aligning with the position in Wales and Scotland.
- **Stakeholder fatigue and duplication:** Many local authorities and stakeholders are already engaging with multiple, overlapping energy, planning and decarbonisation processes, creating a risk of stakeholder fatigue. Any engagement or partnership approach should therefore be streamlined, coordinated with existing processes and structures, and proportionate to avoid repeated asks for similar data and input.
- **Alignment with local planning:** DNO activity should be closely aligned with Local Area Energy Plans (LAEPs), net zero roadmaps, and wider spatial planning. They can even support the development of these through data and tools, some DNOs/ DSOs have already started doing this. This will enable a more place-based approach, improving efficiency and ensuring network investment reflects local demand and priorities.
- **Consistency across DNOs:** There is likely to be a difference in approach and outcomes across DNOs. While this should not be a prescriptive exercise as it may hamper innovation and more clarity is needed to understand how a floor will be established to avoid significant regional disparities in delivery and ambition. Ofgem should provide clear expectations, through the ED3 process, to ensure a coherent national framework while allowing for local flexibility.
- **Meaningful stakeholder engagement:** While enhanced stakeholder engagement is welcome, it must be meaningful and not become a tick-box exercise. DNOs should be expected to demonstrate how stakeholder input has influenced decision-making and outcomes. This could include publishing evidence of how engagement has shaped investment priorities, targeting approaches, or delivery mechanisms.

Without this transparency, there is a risk that engagement processes do not translate into tangible change on the ground.

- **Clarity on delivery approach:** Greater clarity is needed on how delivery will be undertaken in practice, including whether DNOs will directly deliver LCTs or coordinate through local authorities and existing local frameworks. A coordinated, place-based delivery model. As referenced in the Warm Homes Plan, working closely with local government will likely be more effective and avoid duplication.
- **Supporting lower-income households:** DNOs could play a role in supporting lower-income households where this aligns with network and policy objectives given they had the necessary data to support place-based interventions. However, this should be clearly defined and coordinated with existing schemes to avoid duplication and ensure support is delivered effectively.

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

- **Overall position:** We agree with the overall rationale for introducing an 'Enhanced Co-ordination' role. The longer-term approach to planning under ED3 presents a clear opportunity to better align network investment with local priorities and avoid fragmented, reactive deployment of low carbon technologies (LCTs).
- **Need for stronger alignment:** Without improved coordination, there is a risk of continued misalignment between DNO investment plans and the needs of local authorities and wider stakeholders. This could slow LCT rollout and reduce the overall efficiency and cost-effectiveness of the transition, this also not an area necessarily being picked up by the RESP process.
- **Clarity on overall model and scope:** While the consultation sets out potential licence mechanisms, there is less clarity on the overarching model for 'Enhanced Co-ordination'. We recommend that Ofgem sets out a clear high-level framework, including objectives, roles and responsibilities, and how this role interacts with wider government initiatives such as the Warm Homes Plan.
- **Integration with existing activity:** Greater clarity is needed on how 'Enhanced Co-ordination' will complement existing local and national activity, including LAEPs and local net zero strategies. Without this, there is a risk of duplication or confusion over roles and responsibilities across the system.
- **Data sharing and capacity constraints:** Improved data sharing is a positive step, but local authorities will require support to effectively use this data. Capacity and resource constraints at the local level may limit the ability to engage meaningfully unless accompanied by funding, tools, and guidance. DNOs already have a strong track record of investing in digital tools and teams, to offer free support to local authorities around local area energy

and investment planning and continue to innovate in this area and could be enhanced through the ED3 process.

- **Meaningful stakeholder engagement:** Engagement will only be effective if it delivers value for all parties involved. Clear mechanisms should be in place to demonstrate how local input influences outcomes, ensuring the process is collaborative rather than extractive.
- **Consistency and regional variation:** Consideration is needed on how differences in approach across DNO licence areas and regions will be managed. A balance will be required between maintaining consistency and allowing flexibility for innovation and local context.

### Q3. 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?

- **Effectiveness of existing Collaboration Plans:** Existing Collaboration Plans provide a useful mechanism for demonstrating engagement and data sharing with stakeholders. However, their impact can vary in practice, and it is not always clear how engagement translates into tangible changes in planning or delivery decisions.
- **Value of enhanced Community Collaboration Plans:** We support the intention to strengthen coordination and engagement through enhanced plans. However, any changes should remain proportionate and focused on adding clear value, building on existing good practice rather than introducing overly prescriptive or duplicative requirements.
- **Avoiding additional burden:** There is a risk that more formalised requirements, such as additional reporting or structured agreements, could increase administrative burden for both DNOs and stakeholders without clear benefits. This is particularly relevant for local authorities, who already face capacity constraints.
- **Alignment with wider frameworks:** Local and combined authorities will be significantly engaged in Regional Energy Strategic Plans (RESPs) that are being developed. The National Energy System Operator (NESO), has recently consulted on their draft methodology, which includes how they plan to work with local government, and a copy of our response can be found [here](#). It is important to understand how these enhanced engagement plans will be aligned with existing processes such as Regional Energy Strategic Plans (RESPs) and local planning frameworks. Without this, there is a risk of duplication, confusion, and inefficient use of limited stakeholder resources.
- **Monitoring and accountability:** Monitoring should focus on outcomes rather than process, with clear evidence of how stakeholder input has influenced decisions. Independent scrutiny can play a role here, but it should remain proportionate and avoid duplicating regulatory functions,

potentially focusing on reviewing the effectiveness of engagement rather than formal compliance.

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

- **Accessibility and usability:** The growing volume of data being produced highlights the significant efforts across the sector to develop valuable tools and insights for end users. DNOs are actively developing tools that support local authorities in delivery and have demonstrated a clear commitment to ensuring these tools are practical and user-focused. Building on this strong progress, there is an opportunity to further enhance accessibility through clearer guidance, more standardised formats, and increasingly user-friendly outputs, helping local authorities and other stakeholders make the most of available data.
- **Supporting effective use of data:** Access alone is not sufficient as many stakeholders face capacity and capability constraints in using this data effectively. Additional support, tools, and guidance will be needed to ensure that published data can meaningfully inform local planning and decision-making.
- **Consistency across DNOs:** There is variability in how data is published across DNO regions, which can make it difficult to compare or aggregate information. This would also be helpful for local authorities and other stakeholders that work across DNO regions. Greater standardisation would improve usability and enable more consistent engagement across regions.
- **Supporting local energy planning:** DNOs could play a more active role in supporting the development of Local Area Energy Plans (LAEPs) and other local strategies. While LAEPs are highly valuable, they can under traditional models, be resource-intensive to produce; targeted support from DNOs could help improve their quality and consistency, enabling stronger inputs into regional planning processes such as RESPs. Some DNOs/ DSOs like UK Power Networks with their [LAEP+ Planning Tool](#) and Scottish and Southern Electricity Networks with LENZA are already working to bridge this gap and this could be further developed, supported and scaled to others. A national framework for LAEPs was one of the key asks of our members as evidenced in [Local Net Zero 2.0: The moment to deliver](#).
- **Integration with RESPs:** There is a further opportunity for regional planning processes, such as RESPs, to draw on data and insights from both LAEPs and DNOs, alongside their own analysis, and to share outputs openly. This would help reinforce a more collaborative, transparent approach to local energy planning and maximise the value of collective efforts.

#### 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?**

- **Overall position:** We support the intent to strengthen working between DNOs, local authorities, and other stakeholders. Effective collaboration will be essential to deliver a coordinated and place-based energy transition.
- **Existing good practice and variation:** Some DNOs are already demonstrating good practice through proactive engagement and the development of tools to support local authorities. For instance, [Project LEO](#), [sub-regional LAEPs](#) (as referenced in our toolkit) being developed by the GLA, London Councils and London Boroughs. We have also seen some impactful leadership from other combined authorities, county partnerships and districts. However, there remains variation across regions, and there is a need to ensure a more consistent baseline while still allowing space for innovation.
- **Key elements of effective collaboration:** Clear roles and responsibilities, early and ongoing engagement, and alignment with local planning processes such as LAEPs and net zero strategies will be critical. Collaboration should be structured, but flexible enough to reflect local context and priorities.
- **Capacity and capability support:** Local authorities and community stakeholders often face resource and expertise constraints. Targeted support, such as technical guidance, accessible tools, and capacity funding will be important to enable meaningful participation.
- **Wider beneficiaries:** In addition to local authorities, entities such as community energy organisations, housing providers, and regional partnerships would benefit from enhanced support and clearer engagement structures. This could help ensure a more inclusive and representative approach to planning and delivery.
- **Inclusivity across local government tiers:** The approach should explicitly consider how lower-tier authorities (while they still exist) are represented, particularly where key planning and delivery powers sit below the strategic or combined authority level.

**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?**

- **Avoiding duplication and confusion:** Without clear delineation of roles, there is a risk that Enhanced Co-ordination and RESP processes could overlap or create confusion for stakeholders. Ofgem and NESO should set out how responsibilities, engagement routes, and outputs will align to ensure there is no duplication.
- **Data and evidence sharing:** There is a clear opportunity for shared data frameworks between DNOs and NESO to support both Enhanced

Co-ordination and RESP development. However, local authorities will require support to engage with and make effective use of this data.

- **Risk of stakeholder fatigue:** Local authorities are subject to multiple overlapping requests and from different organisations and processes including RESP. This process and approach should align with existing datasets and reporting requirements wherever possible to avoid repeated requests for the same information. Engagement should be targeted, time-bound and coordinated with other processes to avoid stakeholder fatigue.
- **Integration with local planning:** Strong integration with Local Area Energy Plans (LAEPs) and local net zero strategies will be essential to ensure that both RESPs and Enhanced Co-ordination are informed by consistent, place-based evidence. This can improve the quality and usability of regional outputs.

**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?**

- **Overall position:** We recognise the potential value of an Expanded Role for DNOs in accelerating LCT and energy efficiency rollout, particularly where a more coordinated, area-based approach could deliver system and network benefits. However, this role should be carefully designed to complement, not displace, existing local and market-led activity.
- **Value of area-based approaches:** Area-based delivery could be effective in targeting network constraints and unlocking efficiencies, particularly when aligned with local priorities and housing characteristics. Local authorities are well placed to support identification of suitable areas, given their knowledge of housing stock, demographics, and local needs.
- **Role of local authorities in delivery:** Any Expanded Role should be delivered in close partnership with local authorities rather than through a DNO-led model alone. Local authorities already play a central role in delivering LCTs, retrofit and fuel poverty programmes, and their involvement will be critical to ensuring schemes are trusted, targeted, and effectively delivered.
- **Clarity on roles and governance:** Greater clarity is needed on how different stakeholders will interact within this model, including roles, responsibilities, and accountability. A clear framework will be essential to define ownership, avoid duplication, and ensure coordinated delivery across DNOs, local authorities, suppliers, and other actors.
- **Supporting low-income households:** We agree there is a strong case for prioritising low-income households, who are at risk of being left behind in the transition. However, there needs to be greater clarity on how this

support will be funded and how it will align with existing schemes, ensuring delivery is coordinated, accessible, and sustainable.

- **Capacity and capability considerations:** Delivering an Expanded Role will require significant coordination, data sharing, and local engagement. Local authorities will need additional capacity, funding, and technical support to participate effectively, particularly given existing resource constraints.
- **Plan for scaling successful models:** There should be a clear pathway for scaling successful pilots into business-as-usual activity. Without this, there is a risk that effective approaches remain time-limited and do not translate into long-term system change.
- **Sharing learning and best practice:** Mechanisms should be put in place to ensure learning from pilots is shared across DNOs and stakeholders. This will help embed best practice, reduce duplication of effort, and support more consistent and effective delivery nationally.

**Q10. 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?**

- **Overall approach to benefits:** We support the use of a network and wider system benefits framework to assess these proposals. A whole-system perspective is essential to capture the full value of coordinated LCT deployment beyond immediate network impacts. UK100 published a research report in 2025, [\*Beyond targets: The wider benefits of local climate action\*](#), which highlights the quantifiable co-benefits of climate programmes across sectors such as energy, housing, transport, and nature, demonstrating the value of systematically capturing and estimating these wider impacts.
- **Capturing long-term system value:** Quantifying network and system benefits, including avoided or deferred grid reinforcement, is important to demonstrate long-term cost savings. A clearer articulation of these benefits can strengthen the case for more proactive, coordinated investment.
- **Capturing wider and place-based benefits:** It will be important that the framework fully reflects wider benefits, including local economic growth, supply chain development, and alignment with local decarbonisation goals. These place-based benefits are particularly relevant to local authorities and should be clearly recognised.
- **From pilots to business-as-usual:** To maximise impact, these approaches should not remain conceptual or limited to pilots for too long. Embedding these benefit frameworks into business-as-usual decision-making will be key to ensuring they consistently inform investment and delivery. They should also align the ED3 period with both Warm Homes and Local Power Plan delivery, as well as devolution and the new Warm Homes Agency.

- **Frameworks and local capacity:** Delivering and evidencing these benefits will require clear frameworks, particularly where local authority input is needed. Local authorities will require appropriate resources, tools, and guidance to contribute effectively.
- **Supporting joined-up funding:** A more comprehensive understanding of system and wider benefits could help unlock and align different funding streams. Recognising multiple value streams may enable more coordinated and efficient investment across sectors.
- **Evidence and quantification challenges:** While some benefits can be quantified, others such as improved coordination, resilience, local engagement and some of the other co-benefits may be harder to measure. A balanced approach that includes both quantitative and qualitative evidence will be important.

**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?
- 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?
- 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?
- 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?
- 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?
- **Overall view on archetypes:** The archetypes provide a helpful framework for exploring the spectrum of potential DNO involvement. We consider that approaches closer to “Laying the Groundwork” and elements of “Widening Participation” may offer the most practical and proportionate starting point, particularly where they build on existing roles and partnerships.
- **Role of local authorities:** Across all archetypes, local authorities should play a central role in identifying suitable areas and shaping delivery. They bring critical insight on housing stock, local need, and existing programmes, and

are often best placed to lead trusted engagement with residents, businesses and communities.

- **Technologies and measures:** A flexible, technology-agnostic approach is appropriate, but consideration should be given to how a wider set of measures, including heat pumps, heat networks, and energy efficiency can be integrated. A whole-system approach requires inclusion of heat and building fabric improvements.
- **Identification of properties and engagement:** While DNOs can play a role in identifying areas based on network need, local authorities and delivery partners are likely better placed to engage directly with households. Trusted, locally embedded actors are key to ensuring high participation and effective delivery.
- **Funding approaches and risks:** A mix of funding models is likely to be required, but clarity is needed on how costs are distributed and the potential bill impacts on consumers.
- **Responsibility for installations:** We do not see direct installation as a natural role for DNOs. A partnership-based model, where DNOs coordinate or enable delivery while installations are carried out by accredited third parties, is likely to be more effective and aligned with existing market structures.
- **Ownership and control of assets:** While DNO ownership or control may support optimisation of network benefits, it could raise important questions around consumer choice, market impact, and long-term responsibilities. Alternative models, such as market-based mechanisms and flexibility services should also be considered to achieve system benefits without requiring direct ownership.
- **Consistency and scalability:** There is a need to ensure that lessons from different approaches are shared and scaled effectively. Without a clear pathway to business-as-usual, there is a risk that successful models remain limited to pilots or specific regions.
- **Clarity and coordination across models:** Greater clarity is needed on how these archetypes would operate in practice, including how stakeholders interact within each model and how they align with existing frameworks and local planning processes. A clear overarching framework will be essential to ensure coherence and avoid fragmentation.

**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?**

- **Value of pilots:** We support the use of pilots to test aspects of the roles, given the complexity of delivery and the need to understand real-world impacts. Pilots can provide valuable evidence on costs, benefits, and practical delivery challenges before wider rollout.

- **Scope and range of pilots:** Pilots should test a range of approaches across archetypes to understand what works in different contexts. However, they should remain focused and structured, with clear objectives and comparable metrics to enable meaningful evaluation.
- **Role of local authorities and partners:** Pilots should be designed as true partnerships, with local authorities, suppliers, and other delivery actors embedded from the outset. This will ensure that delivery models reflect real-world conditions and build on existing local capabilities.
- **Learning and scalability:** There must be a clear framework for capturing, sharing, and applying learning from pilots across DNOs and stakeholders. Without this, there is a risk that insights remain siloed and do not inform broader system change.
- **Pathway to business-as-usual:** Pilots should be designed with a clear route to scale from the outset, including how successful approaches could transition into business-as-usual activity. This will help avoid pilots ending without long-term impact.
- **Resourcing and capacity:** Consideration should be given to the capacity required from local authorities and other stakeholders to participate in pilots. Adequate funding and support will be essential to ensure meaningful engagement and delivery.

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We would be grateful if, in addition to considering UK100's response to the consultation, you would also explore opportunities for continued further engagement with UK100 and our members. We valued meeting some of the Ofgem team leading on this consultation, and found the engagement valuable. Please get in touch if you would like to know more or explore our response in more detail. We would also be happy to convene a discussion with our member local authorities, to discuss the themes within our response further.