

## 6. Climate Resilience Metrics & Standards Framework (CRMSF)

### Type of proposal

New or enhanced service/Delivery accountability mechanism

### Proposal summary

To meet the ambition of introducing a strategic long-term framework for climate resilience<sup>1</sup> we propose **CRMSF**<sup>2</sup> to provide a systematic, phased methodology for assessing and improving network resilience to climate change.

The CRMSF is based on Ofgem's suggested approach. It introduces Climate Resilience Metrics and Indicators (CRMI), establishes performance baselines, benchmarks DNOs, and converts these insights into common Climate Resilience Standards. These standards would in turn support robust stress testing and guide targeted ED3 investment, enabled by flexible climate allowances and the setting of clear in period objectives.

Aligned with our Q92 SSMC response, the CRMSF proposes refined sequencing for stress testing and CRMI, enabling timely ED3 planning, focussed use of the ED3 resilience re-opener and an enduring methodology.

The CRMSF follows a sequenced approach:

1. Implement common, sector wide performance based CRMI.
2. DNOs baseline current performance using these CRMI through consistent reporting, enabling Ofgem to understand resilience levels across DNOs, asset types and voltages.
3. Benchmark performance to identify best practice and define current/future resilience needs through 2080.
4. Agree DNO Climate Resilience Standards based on benchmarking insights.
5. Stress test DNOs against these standards.
6. Refine investment plans to deliver targeted improvements and build long-term climate resilience

### Which ED3 outcomes does the proposal support? (confirm all that apply)

Investing for the energy transition/ Responsible and sustainable business/ Smarter networks/  
**Resilient networks**

### Which Consumer Interest Pillars does the proposal support? (confirm all that apply)

Low cost transition/ Fair prices/ **Quality and standards/ Resilience**

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<sup>1</sup> Section 6.52 of Ofgem's ED3 Sector Specific Methodology Consultation

<sup>2</sup> Climate Resilience Metrics & Standard Framework

## Summary of key reason(s)/driver(s) for the proposal

The frequency of climate hazards including storms, flooding, and heatwaves are intensifying, threatening reliability, affordability and safety. Current resilience planning by DNOs lacks consistency, comparability, and clear performance indicators. The CRMSF addresses this by:

- Establishing common CRMI to quantify resilience using existing trusted metrics which are comparable and readily available, supported by targeted climate-specific indicators.
- Benchmarking DNOs against these CRMI to identify GB performance ranges, best practice and resilience gaps.
- In future this could support the development of standards for long-term resilience, based on these performance ranges recognising local variation(s).
- Stress testing networks against these common standards to inform credible investment cases and transparently guide in period adjustments.

A phased systematic approach would prevent investment slowdowns and enable decisive ED3 action on climate resilience by setting clear, consistent expectations for DNO standards and performance. Without the CRMSF, resilience planning risks becoming fragmented and inefficient, leading to missed opportunities to safeguard vulnerable customers and critical services during this pivotal ED3 period.

With the CRMSF in place, ED3 can drive aligned outcomes across networks, support the pace of electrification, and ensure infrastructure remains robust, adaptable, and fit for purpose through 2080 and beyond.

## Summary of supporting evidence *(Examples could include references to sector specific intelligence, innovation projects, ISG engagement, wider consumer research, endorsement from third parties)*

This approach is modelled on the proven methodology developed by the European Commission's European Bureau for Research on Industrial Transformation and Emissions (EUBRITE), specifically the "Sevilla process." This is internationally recognised as a leading standard for assessing sectoral performance across industry. It systematically benchmarks plant performance across EU Member States to identify performances range to develop Best Available Techniques (BAT) Reference Documents, setting mandatory performance standards and identifying the techniques and practices that deliver the highest levels of environmental performance.

A strength of the Sevilla process is its structured, evidence-based approach: sector specific data is gathered, normalised, and compared across operators, enabling regulators to set transparent, proportionate, and technically grounded standards. This model has been adopted and adapted by jurisdictions worldwide due to its strong governance, clear audit trail, and ability to drive continuous improvement across diverse sectors.

We believe this methodology translates well to the needs of the CRMSF. By applying a comparable benchmarking and best practice framework to distribution networks, the CRMSF can provide a robust, transparent basis for assessing climate resilience performance across DNOs. This would support

consistent standards, enable identification of leading practices, and ensure that regulatory expectations are grounded in comparable evidence across the sector.

## Summary of potential benefits

The CRMSF offers a coherent way to channel Ofgem's growing focus on climate resilience into a practical, evidence-based approach. Introducing clear and intuitive sequencing of CRMI followed by benchmarking the framework enhances understanding of current DNO climate resilience performance across established asset types, voltages, and geographies aligned with existing regulatory reporting. This improved visibility helps identify strengths, gaps, and areas where resilience measures already deliver value, or could be improved, creating a stronger foundation for future planning.

CRMSF also supports the development of common Climate Resilience Standards, ensuring that all DNOs operate to consistent long-term expectations. These shared standards help drive performance improvements across the sector by aligning investment decisions, incentivising best practice, and enabling fair, transparent comparisons. Benchmarking insights ensure that standards reflect real-world conditions and evolving climate risks.

Importantly, CRMSF enables a more proactive, forward-looking investment strategy. By staged sequencing of metrics, baselining, benchmarking, standards and stress testing, the CRMSF gives DNOs a clear pathway to justify targeted resilience spending and accelerate interventions that deliver long-term benefit. In doing so, it supports Ofgem's ambitions while ensuring flexibility, proportionality, and alignment with the operational realities of network operators to inform credible investment cases and transparently guide in period adjustments.

## Where the proposal relates to a new or enhanced service or to stretching commitments, explain why the proposal is not already business as usual or incentivised either through the existing RIIO-ED2 framework or under ED3 proposals that we are consulting on

The CRMSF provides a framework for implementing the Ofgem's direction for ED3. Ofgem have recognised the growing importance of climate resilience, however proposals remain at an early stage of maturity and lack a clear, sectorwide methodology for measuring or comparing resilience performance. At the ED3 Resilient Networks Working Group on 14 January 2026 Ofgem confirmed reduced expectations relative to the ambition expressed in 2025. We continue to believe that the development of a comprehensive, forward-looking resilience framework is essential and can be achieved through sensible restructuring of approach.

No ED3 proposal currently being consulted on sets out a common approach to Climate Resilience Metrics, a benchmarking methodology, or a route to establishing shared Climate Resilience Standards. Existing RIIOED2 outputs (IIS, NARM, flood mitigation) are -asset specific and not designed to provide a coherent -cross network- assessment of climate resilience, nor to support stress testing across future climate horizons.

CRMSF therefore offers a structured mechanism that fills a clear regulatory gap. It enables the sector to move decisively and consistently on climate resilience in ED3, rather than reducing ambition. We

are confident this is not covered by the developing ED3 proposals—and that the sector needs and wants to do more.

### Where the proposal relates to a new or enhanced service, explain why DNOs are best placed to undertake the activity described under the proposal

Delivering effective climate resilience is intrinsic to the core responsibilities of DNOs. We design, operate, maintain, and invest in the distribution network, giving us the deepest operational understanding of asset behaviour, local climate impacts, fault patterns, and system vulnerabilities. This makes DNOs uniquely positioned to generate the granular data needed for Climate Resilience Metrics, interpret performance baselines, and apply standards in a way that reflects both system-wide requirements and local conditions.

We also hold the responsibility for keeping customers safe and maintaining reliability during increasingly frequent climate driven events. As the organisations directly accountable for resilience outcomes, DNOs are best placed to undertake targeted assessments, develop locally relevant interventions, and integrate climate resilience into -day-to-day asset management and -long-term- planning and investment.

The CRMSF strengthens this by enabling consistent measurement, transparent benchmarking, and stress testing of our networks. These activities require operational familiarity with assets, geography, and risk management processes—capabilities that sit squarely with DNOs. By developing and implementing this framework, DNOs can ensure resilience planning is technically credible, proportionate, and grounded in -real-world- system knowledge, while providing Ofgem with a robust evidence base to guide ED3 decisions and beyond.