

Camlin Response to Ofgem Call for Input: Growing Great Britain's Electricity Network Supply Chains

Executive Summary

Camlin welcomes Ofgem's Call for Input on electricity network supply chains and supports the regulator's objective of strengthening supply chain resilience, improving transparency, and enabling long-term consumer value through a more strategic approach to procurement. Great Britain is entering a period of unprecedented electricity network expansion, with large increases in transmission and distribution investment required to connect low-carbon generation, support electrification, and meet rising demand.

Camlin's view is that the current regulatory regime already allows network companies to place greater weight on resilience, sustainability, and wider long-term consumer value where these are supported by evidence, but that additional clarity, better guidance, and proportionate reporting would materially improve confidence and consistency in procurement practice. In particular, Ofgem's framework should recognise that significant domestic economic value creation and resilience benefits arise from not only manufacture of primary plant, but also from GB-based engineering, assembly, software, condition monitoring, diagnostics, technical services, and lifecycle support services - areas where Camlin and similar innovators make a material contribution.

Camlin supports a proportionate, phased reporting regime covering both equipment and services, using broad categories and clear definitions, with protections for commercial sensitivity. The most effective policy approach would be one that improves visibility, supports evidence-based cost assessment, and encourages investment in resilient and sustainable supply chains without creating de facto local content mandates or undue administrative burden.

About Camlin

Camlin is a global technology business headquartered in Northern Ireland with a strong presence in Great Britain and a long-standing role in supporting electricity network operators through advanced engineering, digital monitoring, analytics, and operational technology solutions. Camlin works across transmission and distribution applications, helping network owners improve asset visibility, reliability, safety, and whole-life performance through technologies including condition monitoring, fault detection, digital substation systems, and data-driven decision support.

As a GB based provider, Camlin's solutions sit at the intersection of supply chain resilience and network optimisation. Our technologies reduce dependence on scarce primary plant by extending asset life, enabling condition-based maintenance and improving utilisation of existing infrastructure - outcomes that deliver both domestic value-add and long-term consumer benefit.

Our UK footprint is substantial. We employ over 400 people in highly skilled roles and maintain an approximately 75% UK-based supply chain that supports SMEs across the country. We are committed to building and retaining capability in the UK - as we have scaled internationally, we have continued to anchor our core operations across manufacturing, R&D and engineering in Lisburn, Northern Ireland, and our UK sales and support facility is based in Coventry.

This response is provided from our perspective as a GB-based technology and supply chain participant serving regulated electricity networks. It reflects practical experience of how procurement frameworks, regulatory incentives, asset risk management, and long-term pipeline visibility influence decisions to invest in engineering capability, customer support, product localisation, and innovation in Great Britain.

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General Position

Camlin agrees with Ofgem's overall position that resilient and competitive domestic supply chains can improve long-term outcomes for consumers, even where some options may carry higher upfront costs than the cheapest international alternatives. The consultation also rightly notes that long-term consumer value can include resilience, reduced delivery risk, shorter lead times, sustainability benefits, and wider economic value, provided these are evidenced appropriately within the regulatory framework.

Camlin also agrees and recognises that broader industrial strategy questions sit primarily with government, while Ofgem's role is to ensure that the regulatory framework enables efficient, evidence-based recognition of supply chain resilience and wider consumer benefits. In that context, this response focuses on practical steps Ofgem can take within its current statutory duties, together with areas where further government direction may be helpful if policy moves beyond transparency and cost assessment into explicit industrial intervention.

Responses to Consultation Questions

Q1. Additional investment in resilience and sustainability

We consider that a meaningful increase in investment in supply chain resilience and sustainability can be achieved within the current regulatory regime, provided procurement frameworks give greater and more consistent weight to long-term consumer value alongside upfront cost. In practice, this means network companies should be more confident in selecting solutions that offer stronger lifecycle performance, lower failure risk, improved asset visibility, reduced outage duration, shorter response times, and better domestic support capability where these benefits are evidenced. For instance, deployment of advanced, permanent monitoring can demonstrably reduce unplanned outages whilst simultaneously providing insights that unlock the opportunity for efficient integrated network planning by combining asset health data and forecasts. This holistic approach facilitates the scheduling of capacity creation in conjunction with asset health investment needs for a "touch the network once to 2050" investment programme.

The procurement changes most likely to support this are: explicit scoring for resilience, maintainability, sustainability, and service capability; greater use of whole-life cost approaches rather than initial purchase price alone; and clearer recognition of digital monitoring and analytics as enablers of network resilience and efficient asset utilisation. The main trade-offs are likely to be slightly higher short-term evaluation and procurement complexity, and in some cases modestly higher upfront contract values, offset by lower delivery risk, better operational performance, and reduced total cost over the asset lifecycle.

Q2. Barriers in the current regulatory framework

The main barrier is not an absolute prohibition in the framework, but a perceived bias in practice toward the lowest visible upfront cost because of concern about future regulatory challenge or disallowance. Although Ofgem states that additional costs can be considered efficient where supported by evidence of long-term consumer value, many procurement teams remain cautious about placing material weight on resilience, domestic capability, service proximity, or innovative solutions.

A second barrier is that existing reporting and business case processes often focus more heavily on primary equipment quantities and unit cost than on the contribution of secondary systems, diagnostics, engineering support, and digital services to resilience and asset life extension. A third barrier is uncertainty over how to define domestic sourcing and material GB value-add in cases where a solution combines imported components with GB-based design, assembly, software, testing, commissioning, or long-term technical support.

Q3. How Ofgem could strengthen incentives and remove barriers

Ofgem could improve outcomes materially by publishing clearer guidance and worked examples showing how higher-cost options may be justified where they deliver evidenced resilience, sustainability, or lifecycle benefits for consumers. This would be particularly valuable for asset monitoring, diagnostics, protection and control systems, and other technologies that reduce failure risk or improve utilisation of constrained network assets.

Ofgem could also strengthen incentives by aligning reporting, cost assessment, and future price control mechanisms around practical indicators of supply chain resilience, such as supplier diversity, domestic service capability, lead-time risk in constrained categories, and use of technologies that reduce emergency replacement demand. In addition, Ofgem should reinforce that anticipatory investment, ten-year demand visibility, and early procurement mechanisms are relevant not only to major plant categories but also to enabling digital technologies and lifecycle support services.

Q4. Definition of a UK-based supplier and UK material value-add

Camlin supports a definition that combines the location of the contracting entity with the location of primary delivery activity, while also recognising that material domestic value-add can arise through engineering, final assembly, systems integration, software development, testing, commissioning, and ongoing support in Great Britain. A narrow definition based only on raw manufacturing origin would understate the domestic economic and resilience value created by many modern network technologies. Similarly, a narrow focus on manufacture of primary plant would materially understate the domestic economic, skills and resilience contribution of modern network solutions that combine global sourcing with substantial GB based research & development driven intellectual property.

A practical definition would therefore identify a UK-based supplier as one with a substantive UK-registered operating entity and a meaningful UK-based workforce connected to delivery of the contract. Material value-add should include at least one or more of the following: GB-based design authority, final assembly or systems integration, factory or acceptance testing, field commissioning, software configuration, or long-term service and support delivered from Great Britain.

Q5. Scope of reporting

Camlin supports reporting on both equipment and services. This is essential because a significant share of resilience, employment, innovation, and domestic capability sits within engineering services, installation, commissioning, maintenance, software, analytics, and remote technical support rather than only in the manufacture of primary equipment.

To keep the burden proportionate, reporting should initially prioritise categories that are high-value, strategically important, or exposed to development or lead-time and concentration risk. These should include major plant such as transformers, cables, and switchgear, but also protection and control systems, condition monitoring and diagnostics, communications, engineering services, civils, commissioning, and long-term maintenance support.

We recommend a dedicated or sub-category for Asset Monitoring, Diagnostics, Protection & Control and Digital Systems. These secondary systems are critical to resilience and often represent high domestic value-add through UK engineering and software.

Q6. Minimum contract value threshold

Camlin agrees that a minimum threshold is essential to ensure reporting remains proportionate, focused on materially significant procurement activity and aligned with Ofgem's consumer protection and value for money duties.

We recommend that the threshold should be high enough to avoid burdening companies with excessive administration for low-value, routine purchases, while low enough to capture the majority of strategic spend that drives network resilience, domestic economic value creation and supply-chain risk.

A sensible starting point may be a threshold of £1M with flexibility for Ofgem to refine this through further evidence gathered during implementation.

The threshold should apply to individual contracts or call-offs materiality in contributing to regulated network activities including asset replacement, capacity creation, resilience and safety investment programmes.

Camlin would welcome further engagement with Ofgem on piloting these thresholds and criteria to ensure they deliver the desired outcomes without unintended administrative burden.

Q7. Core metrics and categories

Camlin supports Ofgem's proposed core metrics of in-scope spend split between UK and non-UK suppliers by both cash value and percentage share. This is a sensible foundation for transparency and comparability, especially if supported by short narrative explanations for complex or mixed-origin contracts.

The broad categories should include primary equipment, secondary and digital systems, and services. Suggested categories include transformers, cables, switchgear, protection and control, condition monitoring and diagnostics, communications and automation, design and engineering, civil works, installation and commissioning, and maintenance and technical support.

Q8. Social value and supply-chain-length indicators

Camlin supports inclusion of social value and supply-chain-length indicators where these can be defined clearly and collected without disproportionate cost. Indicators are most useful when they support resilience monitoring rather than becoming an overly broad ESG reporting exercise.

Useful examples include the location and capability of engineering, software development and service teams, indicative GB jobs supported, training and skills investment commitments, logistics complexity, and evidence of recognised sustainability standards or decarbonisation commitments. In early years, a small number of standardised indicators supported by concise narrative would be preferable to an overly granular reporting framework.

Q9. Delivery route, assurance and administrative burden

Camlin sees merit in using existing RIIO reporting arrangements where possible, because these already provide governance, assurance expectations, and links to regulatory accounts. However, in the early stages a standalone annual return may be more practical because it would allow Ofgem to test definitions, categories, and assurance requirements without overcomplicating existing templates.

A hybrid model is therefore recommended. An initial standalone annual domestic sourcing and supply chain return could be introduced, with a later review to determine whether mature elements should be integrated into RIIO Regulatory Instructions and Guidance once reporting practices are stable.

Q10. Publication and aggregation

Camlin supports non-confidential publication of summary outcomes at a level that promotes transparency and market signalling without disclosing supplier-specific commercial information. Publication should enable stakeholders to understand broad trends in UK versus non-UK sourcing by category and by licensee, while protecting sensitive pricing, contract structure, and supplier strategy information.

The most appropriate balance would be annual publication of high-level category splits and narrative explanation of key movements or outliers. Highly granular contract-level disclosure should be avoided where it could undermine fair competition or reveal commercially sensitive information in concentrated markets.

Q11. Evidence that higher-cost options deliver long-term benefits

Camlin believes there are several practical forms of evidence that can demonstrate that a higher-cost option delivers proportionate long-term value for consumers. These include reduced failure rates, extension of asset life through condition-based maintenance, shorter outage duration, lower emergency replacement costs, reduced project delay risk, lower losses, improved worker safety, and lower emissions across the lifecycle.

From deployment of our digital and monitoring technologies in particular, Camlin has field data evidencing avoided fault costs, reduced manual inspection requirements, better targeting of interventions, and improved utilisation of existing assets. Ofgem could usefully support consistency by developing standard business case templates or worked examples for these categories so that network companies and suppliers can present evidence in a comparable way.

This is supported by recent independent analysis commissioned from Imperial College Consultants, which found that continuous monitoring can materially improve network resilience by enabling faster fault detection, quicker restoration and proactive outage prevention. This reinforces the need for Ofgem's evidence framework to recognise the long-term consumer value of digital monitoring and diagnostics, including where these solutions carry higher upfront costs than conventional approaches.

Camlin would welcome the opportunity to engage further with Ofgem on the development of standard business case templates and worked examples to support consistent, proportionate and evidence-based assessment of long-term consumer benefits. In particular, we would be pleased to participate in technical workshops or collaborative exercises, providing practical insights, anonymised field performance data, quantified lifecycle cost analyses and real-world case studies drawn from our GB experience in fault detection, condition monitoring and asset analytics solutions. Including supply chain representation in this work would help ensure the templates robustly capture the multi vector benefits delivered across network activities and domestic economic value creation.

Q12. Implementation risks, costs and unintended consequences

The principal implementation risks are excessive reporting burden, inconsistent interpretation of definitions, and unintended market distortion. There is also a risk that reporting frameworks designed mainly around large primary plant categories may inadvertently favour large incumbents and overlook the contribution of SMEs, engineering specialists, and digital technology providers that add resilience and value in different but important ways.

These risks can be mitigated through phased implementation, clear definitions, use of broad categories, sensible thresholds, piloting or dry runs, and explicit communication that the purpose of the framework is transparency and evidence gathering rather than quota setting. It will also be important to ensure that the framework supports supplier diversity and innovation rather than unintentionally reinforcing concentration among a small number of incumbents.

Additional Recommendations

Camlin suggests three broader design principles for any future policy development. First, Ofgem should ensure that the framework recognises the role of digitalisation, condition monitoring, and asset intelligence in reducing dependence on constrained physical replacement supply chains.

Ofgem and government should coordinate clearly so that transparency measures, industrial policy ambitions, and network price control incentives remain aligned.

Third, any future reporting framework should be developed with suppliers as well as network companies so that reporting definitions reflect the practical realities of modern, multi-stage, internationally integrated but locally value-adding supply chains.

Camlin supports Ofgem's intent to improve transparency and strengthen the evidence base on electricity network supply chains. A well-designed and proportionate reporting framework could help network companies, government, Ofgem, and suppliers make better long-term decisions about investment, and domestic capability while remaining consistent with consumer protection and procurement principles.

We would welcome the opportunity to engage further with Ofgem on the detailed design of definitions, categories, and evidential frameworks, particularly in relation to digital technologies, monitoring solutions, and engineering services that enable more resilient and efficient electricity networks.

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