

Kelsey Sheldrick
Electricity Distribution Policy Team
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

By email: reopenerconsultations@ofgem.gov.uk

Date: 22 June 2026

Name: David Cupples

Contact: dcupples@spenergynetworks.co.uk

Dear Kelsey,

RIIO-ED2 Re-opener 2025: Electricity System Restoration

We welcome Ofgem's Draft Determination on our Electricity System Restoration (ESR) Re-opener application and recognise the thorough and constructive approach taken in assessing the needs case, optioneering and costs. We are encouraged by Ofgem's broad support for the majority of our proposed investments, which reflects the strength of the underlying case and the clear link to material changes in obligations arising from the introduction of the Electricity System Restoration Standard (ESRS).

In particular, we agree that the enhanced ESRS requirements represent a significant strengthening of the resilience framework for Great Britain's electricity system, and that timely and efficient investment is essential to ensure distribution networks can support NESO in restoring supply following a major system event.

Proposed use of Price Control Deliverables

We note Ofgem's intention to introduce Price Control Deliverables (PCDs) linked to the delivery of ESR outputs and recognise the role these can play in providing assurance to consumers. However, given the relatively short remaining timeframe within the RIIO-ED2 period, it is critical that any PCD framework applied is proportionate and reflects the delivery realities of complex resilience programmes. Many of the proposed interventions—particularly those involving telecommunications, protection systems and cross-network integration—are inherently interdependent and subject to external constraints. An overly rigid or binary PCD structure risks creating unintended delivery risks, inefficient behaviours or the prioritisation of formal compliance over optimal system outcomes.

In this context, we consider that a more nuanced approach to PCD design would be appropriate:

- **For Distributed Restart Zones (DRZs)** in particular, a staged or milestone-based framework would better reflect the complexity of establishing operational capability within the remaining ED2 timescales. Defining intermediate deliverables—such as enabling infrastructure, system integration, and operational readiness—would provide greater transparency and avoid the risk associated with a single end-state “functional DRZ” measure.
- **For network resilience initiatives**, we suggest that PCDs are more appropriately framed around volume-based delivery (for example, number of sites upgraded) rather than full site compliance definitions, which may be influenced by factors outside the licensee’s direct control (e.g. telecommunications interfaces or protection system dependencies). This approach would maintain accountability while ensuring that delivery incentives remain aligned with efficient, real-world implementation.

Points of Clarification on Draft Determination

We have identified a small number of minor inconsistencies in the numerical tables presented within the Draft Determination and Appendix 1, which we highlight here for completeness and to support accurate finalisation.

- **In Table 1**, the “SPEN requested forecast cost total” sums to £65.243m rather than the stated £65.244m, while the “Ofgem DD – allowances” total sums to £63.511m rather than £63.512m.
- **In Table 3**, the “Ofgem DD – cost adjustment” aggregates to -£0.168m rather than the indicated -£0.169m.
- **In Appendix 1** for SP Distribution (SPD), the figure relating to the proposed amended ESRT term listed for 2025/26 appears as £8.1.06m, which we assume is a typographical error and intended to read £8.106m. On this basis, there is a resulting £0.001m discrepancy in the total SPD allowance.

Given that these values will be enacted through licence direction, we recommend that these minor discrepancies are corrected to ensure clarity and accuracy in the final licence drafting.

Again, we welcome Ofgem’s Draft Determination and constructive engagement. We would be pleased to provide any further information, or clarification should Ofgem have additional questions on any aspect of our response.

Yours sincerely,



Iain Divers
Head of Distribution Networks