Email to:

resp@ofgem.gov.uk

10 March 2025

Dear Fiona Campbell,

Response to Ofgem's Regional Energy Strategic Plan Impact Assessment consultation

Scottish Renewables is the voice of Scotland's renewable energy industry. The sectors we represent deliver investment, jobs and social benefits and reduce the carbon emissions which cause climate change. Our 360-plus members work across all renewable energy technologies, in Scotland, the UK, Europe and around the world. In representing them, we aim to lead and inform the debate on how the growth of renewable energy can help sustainably heat and power Scotland's homes and businesses.

From the initial ideology behind the Regional Energy Strategic Plans (RESPs) to its practical implementation, Scottish Renewables has continuously supported the democratic and granular approach these offer to strategic energy system planning. We thus welcome the opportunity to comment on Ofgem's draft Impact Assessment consultation examining the balance of cost versus added benefit from the proposed model.

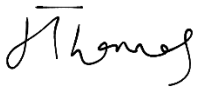
Following our response to the original RESP framework consultation, we are pleased to see that various concerns raised have been addressed through modifications to the RESP, such as the forthcoming introduction of transitional RESPs (tRESPs) to align with the upcoming distribution price controls. We also support the developing proposal for three sub-groups to fall under the umbrella of one RESP for Scotland, which would address our maintained concern that one RESP is too reductive to capture the variance across the country and are keen to aid NESO in the development of this framework approach.

While it is arguably too early to be able to comment meaningfully on an impact assessment for the RESPs without some evolution of the process, tRESPs offer a valuable opportunity to test, improve and identify gaps in the forthcoming RESP structure through iterative development. As such, we are advocating that tRESPs should be implemented as soon as possible and, to the best of NESO's availabilities, should aim to reflect the eventual expected structure of the firm RESPs, i.e., the tRESPs should adopt a three-zone structure as suggested for the RESP in Scotland. By aligning closely to the expected structure, the tRESPs can add optimal value in moulding the process for future success, focusing on finetuning the appropriate governance structures.

Meaningfully engaging communities in network investment and strategic planning via the RESPs is a hugely positive step in involving and learning from communities in line with Ofgem's strategic priority to enable infrastructure for net-zero at pace. However, we would stress that RESPs cannot be relied upon solely for all community engagement, and additional measures must be developed at pace to ensure high-quality engagement with the public and impacted groups.

Scottish Renewables would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,



Holly Thomas

Grid & Systems Policy Manager
Scottish Renewables

Do you agree that we have, to a reasonable extent, identified and understood the potential impacts of the introduction of the RESP?

The motivation behind RESPs is to translate national-level plans to a more specific, local level and vice versa. As such, an integral element of RESPs is that they are tailored and bespoke to the area that they serve. While in other areas of the UK there are multiple Distribution Network Operators (DNOs), Scotland is already divided by just two, and an alignment between these and with local communities/stakeholders already exists.

We believe there is scope for added benefit by introducing a RESP structure in Scotland, but we would advocate for a 'light-touch' approach that leverages existing engagements as opposed to rewriting them. To ignore existing good practice would not only fail to integrate experience gained through prior local engagement but also create unnecessary duplication of work, costing all stakeholders, including NESO, time and effort. Furthermore, aligning with existing practices will ensure a swifter rollout and/or enhancement of local plans that are not constrained by standardisation but are flexible in approach.

Similarly, RESPs should be agile and flexible enough to accommodate the natural growth of external plans in the future, including key new actors and technologies that enter the local space. One example of this is in Glasgow, Scotland, where the local authority published its Local Heat and Energy Efficiency Strategy (LHEES) using the information available to them and projecting forward their plans. However, an organisation unfamiliar with the LHEES plans entered the market with the intent to implement district heating in the area. As the plans are still being developed locally and nationally, there is a risk that these will not take account of new developments. Furthermore, the lack of an overarching plan for heat networks at scale in Scotland may minimise the status that district heating should have.

In addition to our previous arguments for more regional sub-divisions to be formed under the one Scottish RESP, while Scotland has many national plans and organisations, local authorities will not be incentivised to engage in a RESP if it is to be effectively governed by the Scottish Government as the main delivery body. While some members believe three regions would still be too vast to capture regional nuances, dividing the RESPs per DNO allows for more streamlined data collection and reflection of the key differences between the north-south boundary.

The tRESPs will be key in clarifying the governance structures for the engagement process, for example, to whom the three sub-RESPs would report to and when, as well as stakeholders within these groups, which will subsequently lead to m**ore efficient modelling that aligns data inputs.** Cementing the feed-through process of which stakeholders report to whom, the reciprocal exchange of data and the associated timelines is key to the success of the process.

Do you agree that we have, to a reasonable extent, captured and understood the potential impacts of the introduction of the RESP on different stakeholders, including persons engaged in the generation, transmission, distribution or supply of electricity, as well as consumers?

Aside from distribution, we maintain previously raised concerns that transmission networks within Scotland have not been adequately considered within the RESPs. Ofgem affirms that the 'key objective of the RESP will be to support coordinated development of the distribution system by […] ensur[ing] investment is made when and where it is needed'. However, to be able to implement local network ambitions arising from RESPs, for example an increase in demand in a certain area,

transmission has to be more closely involved for aspirations to develop meaningfully and come to fruition.

Particularly in Scotland, where the 132kV network is classed as transmission, unlike the rest of the UK, Transmission Operators (TOs) will have an important role in supporting NESO in bridging the gap between national and local strategic planning that cannot be overlooked. We would encourage NESO to provide more detail on how transmission will be involved in the RESPs, particularly given this Scottish-specific nuance.

More generally, NESO representatives must be cognisant of the differences between Scotland and the rest of the UK and the possibilities or limitations arising from the lower voltage transmission level. For example, alleviating constraints through the use of strategic data centres, while feasible in the south could not be accommodated by Grid Supply Points (GSPs) in Scotland.

Has anything in this draft IA changed your views/response to our July 2024 RESP policy framework consultation? If so, please explain what part of your response/view has changed and the reasons why. Please provide as much detail as pos

N/A

Do you agree that we have, to a reasonable extent, identified and understood all the potential costs of implementing the RESP?

In our previous RESP consultation response, we highlighted concerns around the volume of resource required from NESO to implement the ambition of the RESPs, as well as the burden on local actors. We maintain our concern that the associated cost of this ambition both in development and ongoing delivery has not been entirely accounted for, especially if a structure of three sub-zones is indeed eventually identified as required. We would welcome a more granular assessment of these costs to fully understand the balance of cost versus perceived benefit.

To incentivise communities to engage substantively with RESPs and avoid engagement fatigue, there may be a need to designate paid roles within communities and local authorities to allow for informed discussion. Many local organisations are already highly resource constrained and thus to ensure a level of input that helps to build a more socially and technically robust plan might require creating funded positions to support this. NESO should evaluate throughout the tRESP process as to whether this is required to realise the anticipated value of the RESPs, and how this would be funded.

Have we, as accurately as possible, identified and understood all the potential benefits of implementing the RESP?

We believe transparency lies at the heart of RESPs' potential value and that they can play an important role in streamlining information sharing between but also within local areas for all stakeholders. Developing a central depository of information would allow networks and other stakeholders to access and input data more easily, thereby reducing inefficiencies caused by interfaces between NESO and industry bodies, for example. Enhancing the visibility of all activities and viewpoints in an area and having strategic discussions based off this offers significant benefits for local authorities.

In line with greater transparency and effective use of data, we believe the RESPs could offer significantly higher levels of benefit by overlaying social and economic data with that of distribution to

identify key areas where changes could impact communities positively or negatively. By gaining clearer visibility of communities, for example, by mapping fuel poverty, engagement could be better targeted to develop feasible opportunities with maximum impact. We believe investing in this more interlaced examination of data would fuel Scotland's vision for a just transition, which is partly what RESPs intend to achieve and an area that NESO has not yet fully explored.

Are there any unintended consequences of implementing RESP that we have not identified?

For newer and/or less developed technologies, the RESPs offer a sound framework for newer technologies to align with and potentially risk excluding those without firm future plans. Networks have clearly identified future price controls but for technologies without such strong frameworks or regional plans, the RESP must work to incorporate these effectively as opposed to excluding them.

Furthermore, following the first round of discursive RESP forums in Scotland, we would encourage NESO to develop an appropriate structure for subsequent meetings to ensure that the conversation remains focused and that most relevant stakeholders are afforded the opportunity to voice their opinions. We would like to see specific places, sites and problems, at least to GSP level, discussed to add tangible value by focusing on issues occurring in set geographies. Doing so informs local authorities and local communities and enhances the aforementioned centralisation of data while clarifying to whom the groups are accountable.