

## Public

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### **Re: Electricity Transmission Advanced Procurement Mechanism Consultation**

Dear Margaret,

Thank you for the opportunity to respond to Ofgem's consultation on the introduction of an Advanced Procurement Mechanism into the electricity transmission price control.

#### **Who we are**

NESO lies at the heart of the energy system as an independent, public corporation responsible for planning Great Britain's electricity and gas networks, operating the electricity system and creating insights and recommendations for the future whole energy system.

At the forefront of our efforts is delivering value for consumers. We work with government, regulators and our customers to create an integrated future-proof system that works for people, communities, businesses and industry, where everyone has access to clean, reliable and affordable energy.

NESO's primary duty is to promote three objectives: enabling the government to deliver net zero, promoting efficient, coordinated and economical systems for electricity and gas and the economy and efficiency of energy businesses and ensuring security of supply for current and future consumers. NESO will take a whole system approach, looking across natural gas, electricity and other forms of energy and will engage participants in all parts of the energy ecosystem to deliver the plans, markets and operations of the energy system of today and the future.

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### Our key points

We are supportive of the intent of this consultation – as set out in various documents, including recently in our Clean Power 2030 report, timely build of transmission infrastructure is essential to the UK meeting its decarbonisation targets.

We support the general principles and outcomes that Ofgem are seeking to achieve through the Advanced Procurement Mechanism (APM). The relevant checks and controls that are being proposed are vital to ensure effective use of this mechanism to the benefit of end consumers. In developing these proposals, it will be important to ensure compliance with relevant legal requirements, such as procurement and competition law.

We are pleased to see that Ofgem is seeking to ensure that activity relating to projects that are to be competitively tendered under the Competitively Appointed Transmission Owner (CATO) regime are not eligible for funding through the APM. We also support Ofgem considering other markets, such as Offshore Transmission Owners (OFTOs), who may have similar supply chain constraints. We are keen to continue to work with Ofgem as proposals develop to ensure fair and equal access to critical, constrained, supplies to ensure we are able to meet the decarbonisation challenges in a timely and cost-efficient manner.

We look forward to engaging with you further.

Yours sincerely

Zoe Morrissey

Director of Legal and Regulation