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[Re. Open Letter regarding the scope of the transitional Regional Energy Strategic Plan]

Dear Eleanor, Steve,

Earlier this month, you wrote to request that National Energy System Operator (NESO) provide a transitional Regional Energy Strategic Plan (tRESP) output to support the RII0-ED3 price control setting process. In your letter, you included an overview of the areas of expected delivery as well as the objectives. Our reply supplements this, providing more granular detail and how we plan for the tRESP to evolve before its expected completion in January 2026.

Ofgem's role in setting the price controls for distribution network companies is fundamental in realising the benefits of Regional Energy Strategic Planning (RESPs). This transitional output serves as an opportunity for NESO to feed in practically and start to realise the benefits that a whole system approach to regional and local energy planning can bring in our path to net zero. As we develop and deliver the RESPs, we are committed to continue working closely with Ofgem building on the established collaborative approach. Furthermore, it is crucial that tRESP fits within the bigger picture of Strategic Energy Planning. Given this, we are carefully considering how these deliverables fit within the broader NESO landscape, including the Future Energy Scenarios (FES), the emerging Strategic Spatial Energy Plan (SSEP) and Centralised Strategic Network Plan (CSNP).

With this in mind and noting Ofgem's intent to publish its consultation decision on the enduring arrangements for RESP later in the Spring, NESO has been building capability to enable our delivery. This will increase over time, with full capability both in terms of people and technology expected in 2027, as we turn to delivering the first enduring RESPs. As such, our proposed tRESP scope is reflective of our current capability, and is intended to be precise and output focused, as well as providing a clear glide path to how we will take this further in the enduring RESPs.

As we start to deliver the tRESP scope, we have incorporated routes for all stakeholders to feed into the work and we are committed to providing a transparent programme. We will be starting quarterly RESP forums in spring this year, which will take place in each RESP region and nation and will be open-to-all. These will set the regional foundations of tRESP, for instance on the areas of network investment that are fundamental to achieving local priorities. National Working Groups will then supplement this where there is a need to drive national consistency across GB on tRESPs, for instance on consistent planning approaches or pathway design.

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NESO and Ofgem have worked closely to discuss the foundations and key outputs that will be completed as part of the tRESP programme. The table below outlines our plan, as well as the questions that we plan to answer as part of our tRESP programme.

The subsequent table details how we plan to engage with stakeholders to reach an answer on the remaining questions, as we progress through the programme.

tRESP scope area	What have NESO and Ofgem agreed?	Initial questions to be answered in tRESP development:	Evolution to enduring RESP
<p>Modelled short- and long-term pathways</p>	<p>NESO will produce a whole energy system pathway, which considers electricity, gas (inc. hydrogen) to 2050 for each RESP region. We will create a single pathway for the period covering at least the length of the price control.</p> <p>These pathways will be a disaggregation of FES25 (inc. CP30), utilising DNO building block data and other bottom-up data sources to account for regional variances. The output will be aggregated to Grid Supply Point (GSP, in addition to RESP regions).</p> <p>Draft tRESP pathways will be published for consultation in September.</p>	<ul style="list-style-type: none"> - How long should the single pathway be? ? Methodology for disaggregation and how we reconcile differences between FES / DFES. ? The bottom-up data sources used for comparison – i.e., should we layer in Energy Performance Certificates (EPC), Office of National Statistics (ONS) and Embedded Capacity Register (ECR) data? ? The potential for local data / ambition (e.g., from LAEPs) to influence growth rates in pathways. ? Are the current FES pathways what we should model against from 2035 – 2050? 	<p>Modelling will be done to a greater level of granularity for enduring and integrate more spatial datasets. New technology is planned to support this.</p> <p>Additional datasets and more detailed regional engagement will also be introduced and utilised in bottom-up modelling.</p>
<p>Identified areas of strategic investment need within each region</p>	<p>NESO will work with stakeholders to identify areas within each region where a strategic approach to investment is needed.</p> <p>A list by region and DNO area will be published for consultation in September.</p>	<ul style="list-style-type: none"> ? How the strategic investment work will pick up findings from pathways and regional context work to give guidance on specific investment decisions. 	<p>Approach will build on tRESP, adding greater proactive identification.</p>
<p>Regional Conditions and Priorities</p>	<p>NESO will take into account regional conditions and priorities in the development of tRESP pathways and establishment of strategic investment priorities. This will be informed by our engagement in regions and nations, namely the RESP forums, as well as targeted bilaterals, and also through our RESP baselining exercise which deep-dives into the work that is already ongoing in regions and nations.</p> <p>How it has been done will be set out in a qualitative report published as part of the September consultation.</p>	<ul style="list-style-type: none"> ? How assumptions on regional priorities have been developed and tested with regional actors. ? How pathways could differ to reflect regional conditions, e.g. if high production of green hydrogen is expected in one region, but not in another. ? How emerging policy, e.g. on heat networks or AI / data centres will influence regional conditions. 	<p>We will set up Strategic Boards and working groups for enduring RESP, as well as structured engagement processes to support local actor participation.</p>

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<p>Consistent planning approaches (CPA) DNOs should use in the treatment of tRESP pathways.</p>	<p>NESO will provide a set of assumptions to ensure a common approach is taken by the DNOs in the treatment of tRESP pathways.</p> <p>A list of CPAs will be published for consultation in September. Existing DNO / GDNs planning assumptions will inform this work, focusing on those that have most impact on DNO investment</p>	<p>? What are the initial CPAs that should be prioritised.</p> <p>? Detailed design of what form the CPAs will take, i.e., consistency in approach or in data inputs.</p>	<p>The set of CPAs will be expanded in the enduring methodology to cover more technologies and aspects of planning.</p>
<p>Application of locational information</p>	<p>NESO will consider locational and spatial data and how it can help provide more robust pathways and strategic investment guidance. This will be consideration of the spatial considerations within a Grid Supply Point, including local authority borders and geographies.</p> <p>How it has been done will be set out in a qualitative report published as part of the September consultation.</p>	<p>? How spatial data can support the current approach to network investment.</p> <p>? What areas we can start to test on spatial resolution for tRESP, that can inform our enduring RESP approach.</p>	<p>The enduring RESP pathways will be done at a greater spatial granularity. New technology is planned to enable this.</p>
<p>Technical co-ordination</p>	<p>Following the submission of ED3 business plans NESO will undertake a structured review of those parts of the DNO business plans that relate to network development and investment. In those business plans DNOs will be expected to demonstrate how they have considered NESO tRESP pathways.</p> <p>This area is still subject to detailed design in Ofgem's Framework Decision, Sector Specific Methodology and Business Plan Guidance.</p>	<p>? The format by which DNOs will demonstrate this alignment.</p> <p>? Which parts of the DNOs business plans' that NESO will review.</p>	<p>For enduring we expect to take learnings from the tRESP approach to develop a more formalised process to optimise whole system options and extend the resolution of gaps in plans to consider both GDN and DNO plans</p>

As we build towards publishing our draft tRESP outputs for consultation in September, it is vital that we seek insight and gather information from local and regional stakeholders and from the DNOs and GDNs. The following table sets out our planned stakeholder events, as well as what areas we are aiming to discuss. We will also have a formalised Governance approach with Ofgem including the senior steering group meetings, which will be further defined over the coming months. As we work through the governance proposals with Ofgem we will seek to ensure NESO's independence is preserved.

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Before the first RESP Forums and National Working Groups we plan to set out a transparency statement, setting out how we will publish information from both groups, as well as the ways of submitting views / feedback outside of these events.

	Mar - 25	Apr - 25	May - 25	Jun - 25	Jul - 25	Aug - 25	Sep - 25	Oct - 25	Nov - 25	Dec - 25	Jan - 26
Stakeholder events:	1 st set of RESP Forums and National Working Groups		N/A	2 nd set of RESP Forums and National Working Groups		Bilaterals	Public Consultation	3 rd set of RESP Forums and National Working		Finalisation	
Input sought	<p>RESP forums will be asked for views on regional ambition and 'sense check' initial numbers from FES disaggregation, e.g., on Electric Vehicles, for alignment. They will also be asked for feedback on strategic investment.</p> <p>Detailed information sought from stakeholders on areas of the electricity distribution network where investment ahead of need should be considered for RIIO-ED3.</p> <p>Feedback on initial list of consistent planning assumptions</p>		<p><i>Time for NESO to reflect on input and progress, ahead of next stakeholder events.</i></p> <p><i>Targeted bilaterals may take place during this month.</i></p>	<p>RESP Forums will test key elements of pathways with stakeholders, particularly noting what changes they are likely to drive in the networks.</p> <p>Feedback sought from National Working Groups on how to ensure consistency in the detailed design for pathways, strategic investment and spatial consideration.</p> <p>There will also be consideration of the list of consistent planning assumptions.</p>		<p>August will be used to incorporate learnings from stakeholder events and make changes to consultation documents.</p> <p>Targeted bilaterals may take place during this period.</p>	<p>Limited engagement done by NESO during consultation period.</p>	<p>We will present the key feedback from the consultation to the RESP forums and present a plan to incorporate this into the final output.</p> <p>Upon reviewing the consultation responses, we will consider what items need to be considered by the technical working groups.</p>		<p>December will be used to incorporate learnings from stakeholder events and make changes prior to final publication of tRESP output.</p>	Publication

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Yours sincerely

Julian Leslie

Director of Strategic Energy Planning and Chief Engineer