

Regional Energy Strategic Planners: Briefing for Local Authorities

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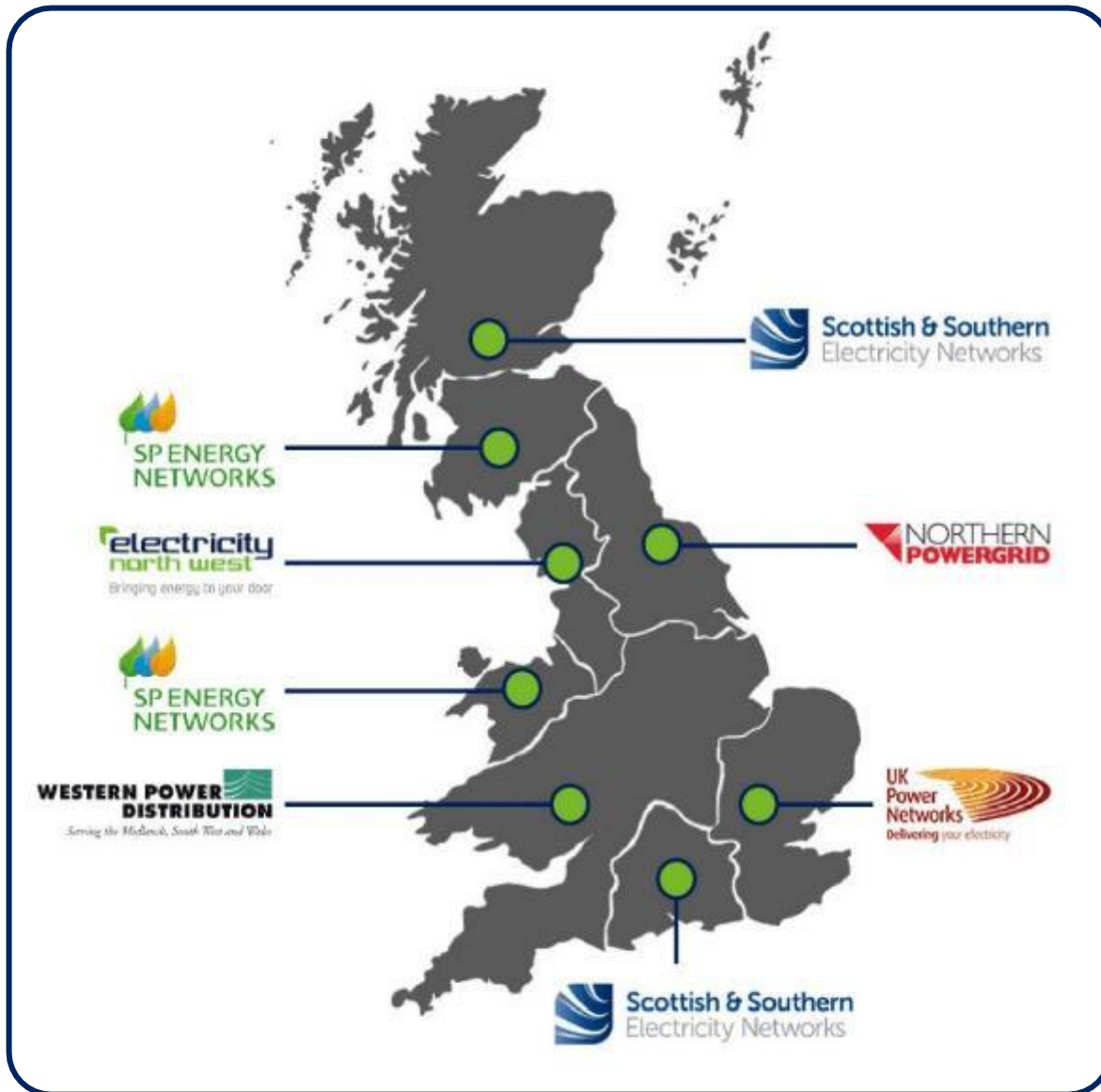
www.enwl.co.uk

Objectives for session

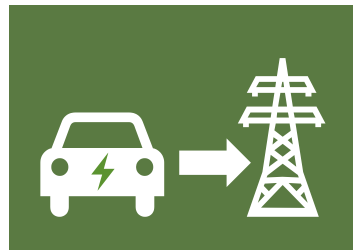


1. Overview of the recently announced 'Regional Energy Strategic Planners'
2. Overview of the next steps
3. Initial discussion on the issues arising

1. Introduction to ENWL



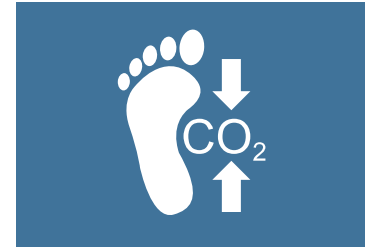
Our Business Plan 2023-28 – Leading the North West to Net Zero



1) **Enabling** –
network
capacity &
reliability



2) **Leading by**
example



3) **Helping** our
customers take
action on net
zero

Business

Domestic

Community

2. In a nutshell

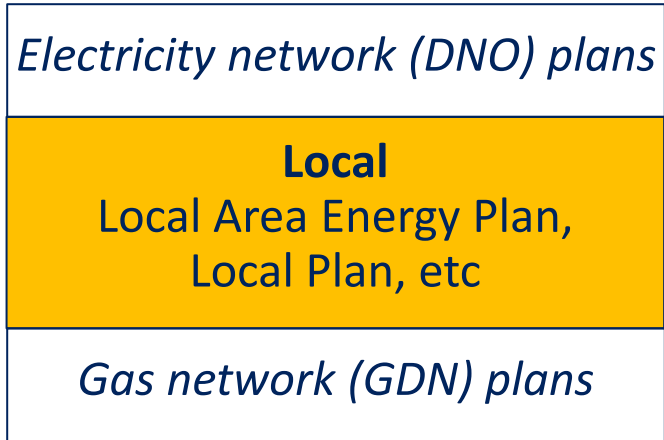


Regional Energy Strategic Planners (RESPs) will ensure that electricity and gas/hydrogen infrastructure is in place where and when it's needed, to enable local and regional net zero objectives to be met...

...building on the work electricity and gas networks already do with LAs.



3. Enabling local net zero plans – current position



Current Position

1. LA plans already directly inform ENWL forecasts and plans
2. But, currently no formally agreed process for how electricity (DNO) and gas network (GDN) operators factor in LA plans
3. From 2023 ENWL created a new team to support the development and facilitation of Local Area Energy Plans (LAEPs) and other local developments – currently supporting over two-thirds of LAs

3. Enabling local net zero plans – future position



Current Position

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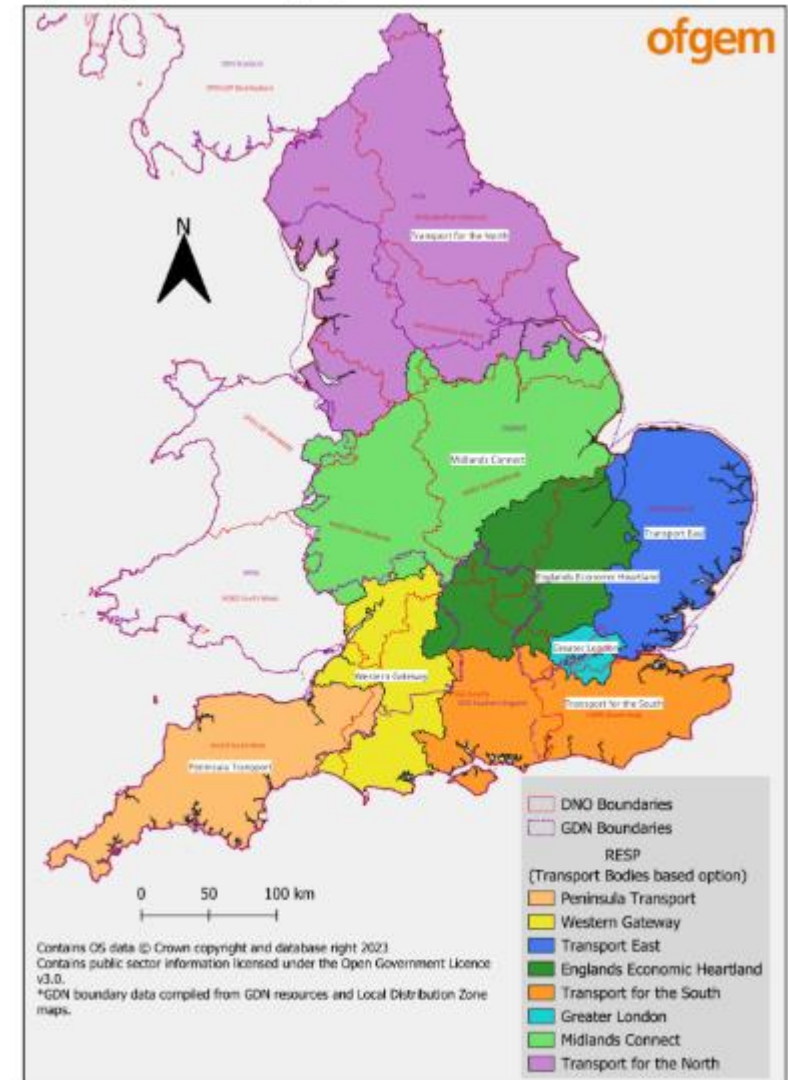
Future Position

1. LA plans will continue to directly inform DNO and GDN plans – but RESPs will establish a consistent process
2. DNOs and GDNs will need to also align with new Regional Plans
3. RESPs will resolve any conflicting views between the actors

4. How this will be achieved – RESPs boundaries



- 10-13 RESPs proposed:
 - 1 in Wales
 - 1-2 in Scotland
 - 8-10 in England
- England:
 - Based on 8 existing Sub-national Transport Bodies' areas
 - Transport for the North (TfN) and Midlands Connect (MC) deemed may be too big
 - May be appropriate to split TfN and MC so each has:
 - 2 RESPs, or
 - 1 RESP with 2 plans
- Administrative/democratic boundaries to take precedence over DNO and GDN boundaries
- Agreeing boundaries part of detailed design phase



4. How this will be achieved – RESPs potential activities



1. **Strategic planning - produce 'Regional Strategic Energy Plans':**

- Develop an aggregated regional view using a wide range of inputs – e.g. national forecasts, electricity and gas network operator data, heat networks, local plans (e.g. Local Area Energy Plans, Local Plans) and other relevant inputs
- 'Cross vector' / 'whole system' i.e. electricity and gas/hydrogen

2. **Technical coordination:** resolve any conflicting views of the actors

3. **Place-based engagement and coordination:** ensure all local actors are involved

4. **Support to local actors:** including 'proportionate' support to LAs

5. Governance – overview & LA input



1. RESPs will be established by the new Future System Operator
2. Each RESP will *‘formalise the process for how those with a democratic mandate interact with and influence the more technocratic aspects of energy planning, and vice versa’*
3. Parties to the *‘governance mechanism to ensure regional democratic accountability’*:
 - Local authorities
 - Electricity: Distribution Network Operators (DNOs)
 - Gas/hydrogen: Gas Distribution Networks (GDNs)
 - ‘Other relevant actors’
4. Local plans & insights will be key inputs (won’t prescribe ESC Local Area Energy Plan methodology)
5. RESP will provide ‘proportionate’ support to LAs



6. Detailed Design Phase



1. Metro Mayor workshop 30th November 2023
<https://www.ofgem.gov.uk/publications/metro-mayors-back-major-regional-energy-planning-reform>
2. 30th January 2024 – Ofgem meeting/call with stakeholders to kick off detailed design phase
3. Three workstreams expected:
 - Functions: including strategic planning, cross-vector technical coordination
 - Governance mechanism
 - Boundaries
4. Trials – ‘where appropriate we will also explore the possibility of trial projects’



7. Recommendations



It is recommended that the Green City Region Partnership:

1. Note Ofgem's the recently announced 'Regional Energy Strategic Planners' proposals and the detailed design phase; and
2. Comment and discuss the issues arising



Further Information



1. Work to date by Ofgem – ‘The Future of Local Energy Institutions and Governance’:
 - Call for Input - April 2022
 - Consultation – March 2023
 - Decision – November 2023

2. Reason for Ofgem’s work:
 - Reaching net zero requires accelerated decarbonisation of heat and transport, and renewable energy generation
 - Enabling these technologies requires radical changes to the way the energy system is planned, invested in and operated, at national, regional and local levels
 - Operators of the local electricity (DNO) and gas (GDN) networks currently produce ‘single vector’ plans for electricity and gas – no formal coordination between the two, nor formal processes for local stakeholder input

3. Three key areas in scope of Ofgem’s decision:
 - ‘Regional energy strategic planning’ – focus for this slide pack
 - ‘Market facilitation of flexible resources’
 - ‘Real time operations’



1. The current 'Electricity System Operator' (ESO) is run by National Grid
2. The ESO will move into public ownership in 2024 and become the 'Future System Operator' (FSO) – enabled by the Energy Act 2023
3. The FSO will be an independent body, with statutory duties and will be licensed and regulated by Ofgem
4. The FSO will be the responsible delivery body for the new RESP function and will discharge its duty by the creation of multiple regional RESPs across GB

