

Julian Leslie  
National Grid ESO  
Faraday House  
Warwick Technology Park  
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Warwick, CV34 6DA

21 May 2021

Dear Julian,

### **Enabling the DSO transition: A consultation on the ESO's approach to Distribution System Operation**

The Distribution businesses of Scottish and Southern Electricity Networks (SSEN) welcome the above consultation and the opportunity to feed into NG ESO's 2025 vision and work programme to enable the DSO transition.

The consultation clearly sets out NG ESO's vision and the functions and activities across which it considers co-ordination between the ESO and DSOs is required. We support the vision and are committed to the co-ordination necessary between not only the Transmission and Distribution system operators to deliver this efficient and economic transition, but also the co-ordination necessary between network owners, including Transmission Owners. Indeed, this commitment to co-ordinate with the ESO and other network owners is reinforced through the coming into force of our Whole Electricity System obligations later this month, and further supported through the sharing of future plans through the Distribution Future Energy Scenarios work and new requirement for Network Development Plans.

For the most part, we see the ENA Open Networks project as the common forum to facilitate this co-ordination in many of the key areas highlighted. For example, through its workstream products to:

- Develop a common contract for flexibility services;
- Establish a procurement process that aligns DNO and ESO procurement and tendering timescales; and
- Develop primacy rules for services.

These are collective deliverables that require the full and proper engagement of all system operators and there is recognition that across these areas the starting point for individual system operators will be different depending upon regional differences and initiatives that have influenced activities to date. We are also mindful of the differences in what constitutes Transmission and Distribution across GB and what this might mean in terms of engagement. It is important that these differences are recognised and that we draw upon the expertise across

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all system operators. As such, the timescales for delivery of each element necessary to facilitate the DSO transition must align across all parties.

It is also important that this engagement recognises the complexity of the respective networks and their operation, and that this co-ordination is underpinned, at all times, by the desire to deliver more economic and efficient system operation. For example, current arrangements for upstream reinforcement across the Distribution-Transmission boundary triggered by customers connecting at Distribution are out of date and not fit for purpose, particularly in light of expected growth to accommodate low carbon technologies and other customer connections. A new simpler, more agile process at the Distribution-Transmission interface is needed. However, given the volume of Distribution connection transactions, we would need to carefully consider how best to effectively co-ordinate this in a way that is in the interests of both parties connecting to the network and bill-paying consumers.

For us, therefore, key to effective co-ordination will be establishing absolute clarity on the system operators' interface and their respective roles and responsibilities. In this regard, we welcome NG ESO's opening principle that it does not have any ambition to be a DSO. However, understanding where accountabilities and liabilities lie for activities such as network planning, balancing the system and managing outages, and when actions taken on neighbouring systems have a greater likelihood of impact, will be a key step.

To this end, we look forward to engaging further with the ESO over the coming weeks and months to advance this work and detail, particularly as we turn our attention to our Final ED-2 Business Plan. In the meantime, should you wish to discuss any element of this response, please do not hesitate to get in contact.

Yours sincerely,

Gillian Hilton

Networks Regulation