Email to:   
[FSO@ofgem.gov.uk](mailto:FSO@ofgem.gov.uk)

20 October 2023

Dear Future System Operation Team,

**Response to** **Future System Operator: second policy consultation and project update** **and FSO Draft Licences 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 330-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.

Scottish Renewables welcomes the opportunity to respond to two concurrent consultations: Ofgem’s consultation on the FSO Draft Licences, and Ofgem and the Department for Energy Security and Net Zero’s (DESNZ) joint FSO Second Policy Consultation and Project Update.

**Proposed FSO Security and Resilience Roles**

We support the implementation of the FSO security and resilience roles. The roles and responsibilities of the FSO, alongside UKG and OFGEM need to be made clear. It will also be critical to clarify how the FSO role in system security and resilience interacts with existing TO and DNO roles in the same space. There needs to be clarity in terms of the roles and responsibilities in terms of each of the organisations.

It is essential the FSO can take a long-term view of system security and provide that insight to OFGEM, DESNZ, and other interested parties as part of its advisory role. Unless there is a demonstrable reason why revealing this information would present a risk to system security, this information should be made public, so industry stakeholders can understand and be informed by the advice and analysis that the FSO is providing to policymakers. As CCS generators begin to come online, the role will need to expand to include consideration of CO2 infrastructure. Where emergency planning for gas is undertaken by the FSO, there must be careful alignment with, and input from, the gas network system operator.

**New power for the Secretary of State to direct the FSO in relation to national security,** **and duty on the FSO**

If the Secretary of State is to be given the proposed national security power, and the FSO given a reciprocal duty, this must be very tightly defined, and limited to long-term strategic threats to energy security.

We do recognise that there may be scenarios in which the Secretary of State may be required to intervene in the roles of the FSO where concerns relate to national security and therefore support the inclusion of this provision in the FSO’s Licence however, we think It would be inappropriate for the Secretary of State to have the power to become involved with the day-to-day operation of the system, decisions regarding cost-efficient system design for net-zero, or regarding connection timescales for specific projects. It is also essential that any directions from the Secretary of State do not conflict with existing emergency arrangements set out in statute and the energy codes.

We note the provision for the Secretary of State to relieve the FSO of its obligations under its Licence where the obligation conflicts with the direction. We also note that directions for the FSO from the Secretary of State could impact the ability of electricity network licensees to comply with their licenses, so similar provisions to relieve Licence obligations on network licensees should be included.

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

Yours sincerely,

Stephen McKellar

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