

Email to:

[NESORegulation@ofgem.gov.uk](mailto:NESORegulation@ofgem.gov.uk)

9 May 2025

Dear James Hill,

**Response to regulatory arrangements for dedicated provision of network services 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 360-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.*

As our energy system transitions to a more intermittent, renewables fuelled power grid, the task of maintaining the stability of the system grows in scale and importance. Thus, Ofgem's efforts to identify a means to incentivise and secure continued network services is welcome. While introducing a bespoke licensable activity for the dedicated provision of network services partially mitigates the issue of increasing instability, we think greater focus and strategy is required to develop a more coordinated and targeted solution.

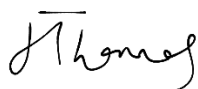
In our members' view, it would be most appropriate for the National Energy System Operator (NESO) to assume the responsibility of managing and overseeing the fulfilment of network services in light of their role in ensuring security of supply and system operations. While NESO is currently undertaking this to some extent through the Pathfinders process, it crucially is not actively identifying specifically weak areas of grid, which is the crux of the issue. NESO's responsibility should thus be explicitly extended to assessing the strength of the network across the UK to ensure the right providers are located in places that need strengthening.

We understand that NESO is conducting a review to define responsibilities in areas where generators are given a weak grid connection. We think that Ofgem should consider the impact that NESO's conclusion could have on generation licence holders. If NESO determines that generators should be responsible for providing those services, it is important to verify if this responsibility will be added to the existing generation licence, or generators will be expected to hold two licences.

Ofgem would need to clarify how the network services licence interacts with existing generation licences as we would not expect generators to hold two licences. Likewise, clarity around incentive structures for supporting new assets is required to ensure offshore developers are not financially overburdened with this new requirement that cannot be transferred to an Offshore Transmission Owner (OFTO), for example.

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

Yours sincerely,



Holly Thomas

**Grid & Systems Policy Manager  
Scottish Renewables**