

Attendees

Members
Trisha McAuley
Cheryl Hiles
Duncan McCombie
Regina Finn
Rahoul Bhansali

Company Representatives	
Cordi O'Hara (Departed following introduction)	Electricity Distribution President
Paul Branston	Director of Regulation (Electricity Distribution)
Chris Hayton	Director of Electricity Distribution Corporate Affairs
Steve Rowe	Head of RIIO ED3
Emma Alexander	Senior Regulatory Development Manager
Sarah Jeffery	Interim Head of ED3 Stakeholder Engagement
Marena Lesskiu	Stakeholder Engagement Officer
Shakeel Butt (Data & Digital Section Only)	Electricity Distribution CIDO

Apologies for Absence

Members
Barbara Anderson
Una Brosnan
Russell Greenslade
Rob Gross

Purpose: Gather ISG feedback on NGED's early proposals for ED3, required for Ofgem's SSMC submission (3 December 2025).

1. Introduction, Context & Objectives

- Trisha opened the meeting and thanked the attendees for their time. Trisha outlined the purpose of the call and the role of the ISG before handing over to Cordi.
- ISG role: constructive challenge, ensure proposals deliver consumer benefit, avoid duplication, and go beyond business as usual.
- Cordi thanked the attendees for their time and acknowledged that the purpose of the ISG was to provide feedback and challenge to NGED, for which NGED were grateful for the opportunity.
- Paul provided an overview of the early proposals, whilst highlighting that Ofgem have confirmed that the early proposals require testing with the ISG before submission.
- NGED presented **13 proposals** grouped under Ofgem's ED3 consumer outcomes:
 - Networks for Net Zero
 - Responsible & Sustainable Businesses
 - Resilient Networks
 - Smarter Networks

2. Proposal-by-Proposal Feedback

- Paul provided a summary of each early proposal, before Trisha opened the floor to discussion by the ISG Members.

DSO & Whole System

- **Enhanced DSO Role:**
 - Strong support for ambition and the continuation of functional separation as opposed to a more severe separation, such as physical or legal.
 - Focus on outcome-based measures vs output; demonstrable deliverability over 5 years critical, regardless of longer materialisation timeframe over multi-ED price control periods.
 - Benefits realisation framework essential.
 - Need to convince Ofgem that the DSO is independent and can be trusted to make the flex decisions
 - Need for the use of strong stakeholder evidence to support EP
 - Address risks to delivery so that Ofgem knows the money will be invested properly
- **Whole System CAM:**
 - Support for extending mechanism to include NESO.
 - Enhanced option (including water/telecoms) seen as premature.

Consumer-Focused

- **Smarter Street Works:**
 - ISG skeptical; risks duplicating existing frameworks.
 - Needs holistic multi-utility coordination and clear benefits.
- **Enhanced Customer Segmentation:**
 - Viewed as a hygiene factor/business as usual.
 - Must clarify purpose, link to actionable outcomes, include commercial customers.
- **Consumer Value Framework (CVF):**
 - Strong support; seen as innovative and sector-leading.
 - Recommended phased approach: assessment first, benchmarking later.

Connections

- **Evolution of Connections Performance Monitoring:**
 - Broad support; urgency required.
 - Targets/outcomes must be clearer; consider two-sided incentives, with a compensation mechanism for consumers should the DNO not be able to deliver its own set targets.
 - Opportunity to build up on existing innovations
 - Need to look at different stakeholder needs and their levels of required support
 - Demonstrable deliverability

- **Marketing and Promotion of Community Energy:**
 - Ambition seen as low; broaden scope beyond advisory hubs.
 - Quantify benefits and leverage innovation learnings, the aspects that go beyond what NGED is already doing.
 - Demonstrable deliverability
- **Unlooping/Data Visibility:**
 - Support for direction of travel but current ambition viewed as timid; NGED doesn't necessarily have to push for the enhanced version but look at ways to take current ambition further. Firm timelines and industry-standard tools expected.
 - Many tools already available on the market, use lessons learned from innovations
 - View that NGED should already be doing some of it and making it available for consumers on our website
 - Current narrative is not strong; need for better storytelling to sell the idea
 - Cautioned around building something in-house when there are expert businesses that could support
 - Suggestion to create something future-proof that consumers can pull on, rather than NGED pushing

Reliability, Resilience & Environment

- **Network Resilience to Climate Change:**
 - ISG sees resilience as core business, not incentive-worthy.
 - Expect measurable improvements and consistency across regions.
- **Ensuring No One's Left Behind":**
 - Support for evolving IIS; enhanced ambition urged.
 - Link to segmentation and real-time data.
 - Opportunity to go further.

Supply Chain & Workforce

- **Skills Development for a Sustainable Workforce:**
 - Strong support for sector-wide approach.
 - Push for enhanced ambition: broader skillsets (IT/digital), fund-matching, lead central Skills Academy for the sector.
 - Existing initiatives noted (e.g., Energy & Utility Skills in Solihull), suggestion to enhance them.
 - Risk of fragmentation if commitments are not binding.
 - Suggestion to match fund the request, otherwise, NGED could be viewed the same as other monopolies that seek funding for skills development.

Data & Digital

- Paul invited Shakeel Butt to join the call to provide more information about the two early proposals within Data & Digital.
- **AI Marketplace:**

- Initial concerns raised: perceived as outside DNO remit, risk of duplication and risk of lost investment considering rapid evolution of the AI market.
 - ISG recommends focusing on internal AI use cases and sharing models via existing platforms.
 - NGED clarified progress:
 - Cloud data platform live (Dec 2023).
 - ML/AI ops platform operational; predictive BMCS model at 80% accuracy.
 - Dedicated scrum team delivering sprint-based use cases.
 - Action: Reframe proposal, rethink name (marketplace not received well), highlight ED2 achievements, outline ED3 stretch.
 - **Data Standards Framework:**
 - Strong support for rapid, mandatory adoption.
 - Avoid partial implementation; align with NESO/ENA initiatives and avoid duplication.
 - Stakeholder mapping suggested to understand who could benefit from initiative besides DNOs, NESO, etc. (e.g., fuel poverty NGOs, local authorities)
 - Open banking analogy endorsed.
 - Suggestion to approach Ofgem: explain gap of accessible, consistent and quality data and the work that can be done across the sector if bridging this gap
-

3. Key Themes Across Discussions

- **Benefits Realisation:** ISG repeatedly stressed need for clear articulation of consumer benefits and measurable outcomes.
 - **Ambition Level:** Many proposals seen as conservative; ISG urged NGED to push for enhanced options and sector leadership.
 - **Deliverability:** Demonstrate realistic plans for ED3 period; avoid overpromising.
 - **Avoid Duplication:** Align with existing initiatives (e.g., ENA, NESO, government frameworks).
 - **Sector Collaboration:** Strong expectation for industry-wide approaches on skills, data, and standards.
-

4. Decisions & Actions

- **Top Priorities Identified:**
 - Enhanced DSO
 - Consumer Value Framework
 - Connections performance improvements

- **Lower Value/BAU:**
 - Street works, climate resilience, unlooping (unless ambition raised).
 - **Actions for NGED:**
 - Refine proposals based on ISG feedback.
 - Strengthen evidence of consumer benefit.
 - Clarify ambition levels and sector leadership role.
 - Explore partnerships and alternative funding for digital initiatives.
 - Ensure alignment with wider industry frameworks.
-

5. Next Steps

- ISG summary note to be circulated for review.
 - NGED to submit refined proposals to Ofgem by **December 3, 2025**.
 - Next ISG meeting is with Ofgem (no company representatives) and is scheduled for **7 January 2026**.
-