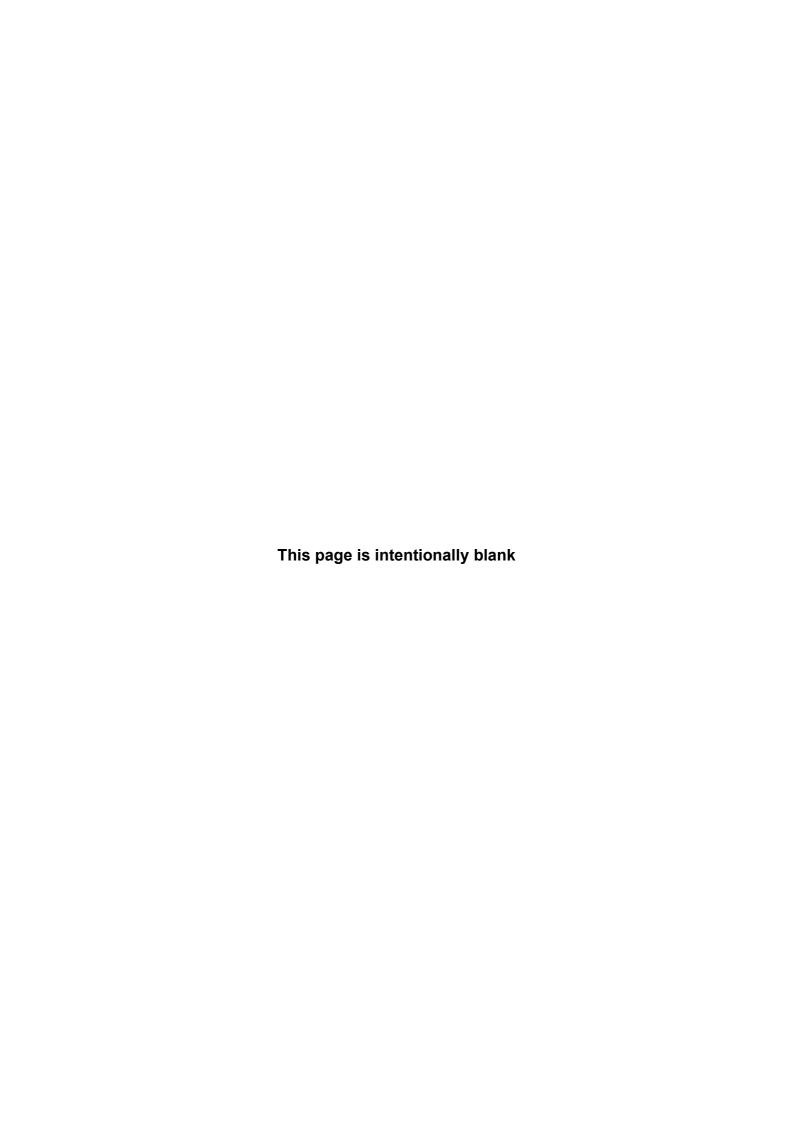


Summary of Consultation Response for Draft Strategy and Policy Statement for Energy Policy in Great Britain



# Summary of Consultation Response for Draft Strategy and Policy Statement for Energy Policy in Great Britain

February 2024

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# 1. Executive Summary

This document summarises the responses received through the government's consultation on the draft Strategy and Policy Statement (SPS) for Energy policy in Great Britain and how government has responded to the consultation. The consultation ran from 10 May to 02 August 2023. The responses to the consultation helped to inform the final SPS which will be laid in Parliament alongside this document.

The SPS included a range of topics:

- Section 1 of SPS Enabling Clean Energy and Net Zero Infrastructure: investment, innovation and competition, strategic spatial energy planning, increased network capacity for low carbon supply and demand, natural gas and hydrogen, heat pumps and heat networks, carbon capture usage and storage (CCUS) and nuclear.
- Section 2 of SPS Ensuring Energy Security and Protecting Consumers: retail markets, consumer protection and enforcement, low income, vulnerable and fuel poor households, security of supply and downstream gas and electricity infrastructure security and resilience.
- Section 3 of SPS An Energy System Fit for the Future: electricity markets fit for the future, flexible and responsive markets, digital infrastructure, governance and EU-UK trade and cooperation.

Each section contained Strategic Priorities and Policy Outcomes relevant to the narrative contained within that respective section.

Government asked three consultation questions to provide an opportunity for respondents to provide feedback on the draft SPS. The questions were:

- 1. Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for government in formulating policy for the energy sector in Great Britain?
- 2. Does the strategy and policy statement effectively set out the role of Ofgem in supporting government to deliver its priorities?
- 3. Given the Future System Operator does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the Future System Operator's role in this document?

The consultation can be found at: <a href="https://www.gov.uk/government/consultations/strategy-and-policy-statement-for-energy-policy-in-great-britain">https://www.gov.uk/government/consultations/strategy-and-policy-in-great-britain</a>

In addition to answering these consultation questions, a majority of respondents also provided more general feedback on the SPS.

Government is grateful to everyone who took the time and effort to respond to the consultation.

Due to the large volume of responses received, this summary does not seek to exhaustively capture all views expressed, but rather to summarise the prevalent themes and particularly notable points of feedback within responses.

Respondents used either an online response form (Citizenspace) or sent in a custom response via email. Due to the qualitative nature of responses, it has not been possible to quantify how often a point was raised thus generic language is used (e.g. 'many' 'a few' 'a large number') to capture the frequency of how often a point was raised.

Not all respondents answered every consultation question or addressed specific questions, and the number of responses to each question received varied significantly, with some stakeholders responding to some questions and not others (this is set out further in section 2.3.). The quantitative analysis section (section 3.1.) includes a percentage breakdown of the responses to the proposed consultation questions; this number excludes those who stated they had no opinion or comment to give on the question.

## 2. Context

The power to designate a Strategy and Policy Statement (SPS) for energy policy in Great Britain was introduced by the Energy Act 2013 and this is the first time that this power will be exercised. As provided for in section 131(2) of the Energy Act 2013, the SPS sets out:

- the strategic priorities, and other main considerations, of His Majesty's government in formulating its energy policy for Great Britain ("strategic priorities"),
- the particular outcomes to be achieved as a result of the implementation of that policy ("policy outcomes"), and
- the roles and responsibilities of persons who are involved in implementing that policy or who have other functions that are affected by it.

Government has set out the wider context of its strategic priorities for the energy sector in several papers over the years, including the <a href="Energy White Paper">Energy White Paper</a> (2020), <a href="Tenergy Security Plan for a Green Industrial Revolution">Tenergy Security Plan for a Green Industrial Revolution</a> (2020), <a href="Net Zero Strategy">Net Zero Strategy</a> (2021), <a href="British Energy Security Strategy">British Energy Security Strategy</a> (2022), <a href="Energy Security Plan">Energy Security Plan</a> (2023), <a href="Net Zero Growth Plan">Net Zero Growth Plan</a> (2023) and <a href="Transmission Acceleration Action Plan">Transmission</a> Acceleration Action Plan</a> (2023). These publications detail government's aims of reaching its net zero targets<sup>1</sup>, driving economic growth, reducing dependence on imported fossil fuels for heating and power, enhancing energy security, promoting infrastructure investment, creating green jobs, levelling up the country, protecting and improving the environment, and ensuring bills are affordable.

The SPS complements these publications, providing guidance to the energy sector on the actions and decisions that are needed to deliver government's policy goals and places emphasis on where government expects a shift in the energy industry's strategic direction.

As the independent regulator for Great Britain, Ofgem is free to determine how it should make decisions. However, Ofgem has a duty to have regard to the strategic priorities set out in the SPS when carrying out its regulatory functions. Both the Secretary of State and Ofgem must carry out their respective functions in a manner that they consider best calculated to further the delivery of the policy outcomes in the SPS. This duty is not extended to some of the social and environmental schemes delivered by Ofgem<sup>2</sup>.

The Energy Act 2023 provides for the establishment of the Independent System Operator and Planner (now known as the National Energy System Operator or NESO)<sup>3</sup>. NESO was previously referred to in government documents and consultations, including our SPS

<sup>&</sup>lt;sup>1</sup> In 2019, the UK adopted a legally binding target to reach net zero greenhouse gas emissions by 2050 (Climate Change Act 2008). Scotland and Wales have since separately established their own legally binding targets of reaching net zero by 2045 (Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 and 2050 (Environment (Wales) Act 2016), respectively.

<sup>&</sup>lt;sup>2</sup> For example, in general terms, this statement does not apply to the heat schemes which are enacted under section 100 of the Energy Act 2008.

<sup>&</sup>lt;sup>3</sup> This is the name now given to the body that will be designated as the Independent System Operator and Planner under Part 5 of the Energy Act 2023.

consultation, as the Future System Operator (or FSO) but was re-branded in January 2024. Therefore, references to the NESO in this document should be read as referring to that body. Similarly, to Ofgem, NESO has a duty to have regard to the strategic priorities set out in this statement when carrying out its functions. Given NESO is currently being brought into existence and the new NESO roles are still in development, it will take time to reach full maturity, and the scope of the new roles may change after the designation of the SPS. We have therefore kept references to NESO's roles and responsibilities at a higher level in the SPS and instead plan to reflect how best to cover NESO in its substantive role once it is established. Government has the power to review and revise the SPS in preparation for, or in connection with, the designation of the ISOP (i.e. NESO) and will therefore consider in future when it is appropriate to do so.

### Engagement with the consultation proposals

As required by the Energy Act 2013, there was a two-stage consultation process for the SPS. The first being with Ofgem, Scottish and Welsh Government, and the second being with these consultees and any other parties the Secretary of State deemed necessary. To support stakeholders' understanding of the consultation proposals and gather initial feedback, the Department for Energy Security and Net Zero hosted a forum with a select number of stakeholders representative of the energy sector during the consultation period. This session was attended by approximately 30 stakeholders with a mixture of online and in-person attendance. The session focused on the three consultation questions but also took wider feedback on the topics covered within the SPS.

### Responses to the consultation

In total there were 140 unique responses to the consultation, including:

- 49 responses received through Citizen Space
- 91 responses received via email

A breakdown of respondents can be found below (note: to provide clarity, where trade associations have a specific focus i.e., Generation, they have been counted as a generator rather than trade association):

- Investors/Businesses 17
- Energy Suppliers 7
- Consultancies 5
- Academia, non-governmental organisations and think tanks 14
- Trade bodies/unions and industrial associations 33
- Infrastructure 19

- Charity/Trust 8
- Generator 11
- Public/governmental bodies (including Devolved Administrations and Local Government) – 14
- Members of the public 11
- Campaign/Community Group 1 (263 duplicate responses)

As mentioned in section 2.1. government also ran a stakeholder session during the consultation period to support stakeholders in developing their responses; views expressed solely during that session are not captured in this document.

### Types of responses

As part of the online consultation, respondents were asked to provide a 'yes' 'no' or 'don't know' response as well as additional information to the posed consultation questions (section 1). As a majority of respondents responded via email, many did not answer this question directly with 'yes' 'no' or 'don't know'. Therefore, in cases where this information was available or there was a clear indication of 'yes' 'no' or 'don't know' within a response, we have conducted a limited quantitative analysis (section 3.1). Where there was no direct answer nor a clear indication of 'yes' 'no' or 'don't know', we have not attempted to analyse the response quantitatively. Thus, this document will use a largely qualitative approach reflective of the feedback received.

### Next steps

Government is publishing this summary of responses to update respondents and other interested stakeholders on the key points of feedback it has received. This consultation was the second and final consultation stage required by the Energy Act 2013. Having considered all feedback through these two rounds, government will lay the SPS in Parliament and then designate the SPS, pending no further revisions.

# 3. Analysis

Overall, respondents welcomed the SPS as a tool for providing guidance to the sector and this was reflected within the responses where many stakeholders indicated support for the SPS. As indicated in section 2.3. only a limited number of stakeholders responded directly to the consultation questions with 'yes' or 'no' therefore the qualitative breakdown is much shorter than the qualitative analysis throughout the rest of section 3.

### Quantitative breakdown

The three consultation questions were:

- 1. Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for government in formulating policy for the energy sector in Great Britain?
- 2. Does the strategy and policy statement effectively set out the role of Ofgem in supporting government to deliver its priorities?
- 3. Given the Future System Operator does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the Future System Operator's role in this document?

We can draw some limited conclusions based upon the responses received to the three consultations above. An important point to note is that, across responses to all questions, 'No' or 'Don't know' was the most popular option selected for members of the public / individuals / non-organisations (captured within the graphs as 'members of the public'). Specifically, question 1 and 3 received more 'No' votes and question 2 received more 'Don't know' votes; 1 vote more than 'No'.

However, for respondents that were part of an organisation, business, local government, etc (captured as 'non-members of the public'), 'Yes' was the most popular answer for question 1 and 3, whilst 'No' was the most popular vote for question 2. Nevertheless, it should be noted that there were considerably more responses from 'non-members of the public', so it is difficult to draw firm conclusions from a relatively small sample size. See Annex 1 for a breakdown on the quantitative element.

The majority of respondents who answered question 1 reflected that the SPS contained the right areas. Nevertheless, in almost all responses, stakeholders suggested other areas that they felt should be covered or discussed in further detail within the SPS; we have addressed the key themes throughout the rest of this document.

The responses to question 2 indicated that over half of respondents were either unsure of or felt the role of Ofgem was unclear within the SPS. When reviewing the full responses, it was clear that this lack of clarity stemmed from a few common themes which are explained in greater detail in the qualitative analysis sections.

A majority of 'non-members of the public' indicated 'yes' for question 3. Given NESO's unique position, many comments were centred around providing additional detail on specific policy areas. A summary of this feedback and government's response are also discussed throughout this paper.

### Roles and responsibilities

Some respondents felt the roles and responsibilities of Ofgem, Government and NESO, and the relationships between them, needed to be clearer. There were a few suggestions that the strategic priorities, policy outcomes and roles and responsibilities should be organised according to the authority which is expected to deliver that priority or outcome.

Some stakeholders welcomed explicit references in the SPS to the operational independence of NESO from government, and the importance of Ofgem recognising the need for NESO's regulatory flexibility.

There were a number of calls to set out NESO's role in relation to Regional System Planning, market facilitation and hydrogen strategic planning, including being clearer on the relationship between different parties involved.

#### Response

A summary of the roles of Ofgem, NESO and government has been provided at the beginning of the 'Roles and Responsibilities' chapter for clarity.

Since the SPS consultation closed, government and Ofgem have published additional documents setting out more detail and clarity on the Day 1 and future roles of NESO (FSO - as it was previously referred to), including our <u>'FSO second consultation and policy update'</u> and <u>Ofgem's FSO draft licence consultation</u> which are now closed. We have however been clear that NESO's roles will continue to evolve over time as policy is developed, and therefore cannot be too tightly defined at this stage.

We have provided clarity in the SPS on the importance of regulatory flexibility for NESO and the independence of NESO from government. We have also made the SPS more explicit that NESO should come to its own view on the appropriate advice to give to Ofgem and Government.

We have updated the document to reflect Ofgem's decision that NESO will take on the role of Regional Energy System Planner (RESP)<sup>4</sup>, but have kept it at a high level given Ofgem are undertaking detailed design work for RESP this year. Ofgem has not yet published its decision on NESO's role in market facilitation, therefore we cannot cover this in the SPS. There is always a limit to how much detail we can share within the SPS about a function that is still under consideration or in development. We have instead provided more detail in Section 3 of the SPS on Ofgem's role in progressing local

<sup>&</sup>lt;sup>4</sup> https://www.ofgem.gov.uk/publications/decision-future-local-energy-institutions-and-governance

governance reform. Since the SPS consultation was published, we have now publicly committed to NESO taking on hydrogen strategic network planning<sup>5</sup> and have reflected that in the SPS.

Since the SPS consultation there have been further commitments related to the Transmission Acceleration Action Plan<sup>6</sup>, including an expectation on NESO to work with government to produce a Strategic Spatial Energy Plan. We have updated the SPS to reflect these.

### Strategic Priorities and Policy Outcomes

There appeared to be some confusion over what the 'Strategic Priorities' were within the SPS. From the feedback it was identified that this issue mostly stemmed from the introduction chapter wrongly implying that the strategic priorities were the three policy chapter headings.

Some respondents suggested that the strategic priorities, policy outcomes and roles and responsibilities should be organised according to the authority which is expected to deliver that priority or outcome.

#### Response

The SPS has been revised to remove reference to the chapter headings as the strategic priorities. We have also included a 'how to read this document' section within the paper to provide additional clarity over how to navigate the document to improve readability.

The Energy Act 2013 specifies that the 'Authority' (i.e. Ofgem) will have obligations in relation to all strategic priorities and policy outcomes in the SPS regardless of how these are organised within the document, and the Energy Act 2023 states that the ISOP (i.e. NESO) must have regard to the strategic priorities as set out in the SPS. (Ofgem and NESO, once established, must also notify the Secretary of State if at any time it concludes that a policy outcome contained in the current SPS is not realistically achievable.) Government has therefore not reordered the strategic priorities or policy outcomes.

<sup>&</sup>lt;sup>5</sup> https://www.gov.uk/government/consultations/proposals-for-hydrogen-transport-and-storage-business-models

<sup>&</sup>lt;sup>6</sup> https://www.gov.uk/government/publications/electricity-networks-transmission-acceleration-action-plan

### Hierarchy of priorities

Many respondents wanted the SPS to provide direction to Ofgem or NESO on the hierarchy of the Strategic Priorities and Policy Outcomes.

#### Response

The SPS is unable to provide direction on the relative importance of Strategic Priorities and Policy Outcomes due to its legislative framework. Whilst the SPS sets out government's priorities and ambitions for the sector, as independent bodies, Ofgem and NESO have liberty to decide which of these it prioritises over one another. Therefore, this statement avoids using any hierarchy and leaves this to the discretion of Ofgem and NESO.

### Being more directive

Similarly, there were calls from a large number of stakeholders to use more directive language or to instruct Ofgem to deliver priorities in a certain way.

#### Response

This is a descriptive government document which sets out government's priorities and desired outcomes and puts them into a framework of which Ofgem and NESO, as independent bodies, are required to have regard to when carrying out their regulatory functions. The Energy Act 2013 prevents government from being able to instruct or direct Ofgem or NESO via the SPS. Instead, the document is purposely high-level focusing on the 'what' and 'why' in many places to set-out what government's goals are, then leaves the relevant body to decide on 'how' to implement or achieve said goal in the most effective way.

### Net zero duty and growth duty

There were calls from stakeholders to reflect Ofgem's new net zero duty and proposed growth duty within the SPS.

#### Response

The SPS has been updated to reflect that government has legislated to give Ofgem a net zero duty via the Energy Act 2023 and that government intends to give Ofgem a growth duty.

### 'Just' and 'Fair' transition and 'Safety'

Many stakeholders have asked for the SPS to clarify that our transition to net zero is done in a 'just', 'fair' and 'safe' way.

#### Response

This strategy and policy statement sets out protection for vulnerable individuals and those in fuel poverty. Ofgem's principal duty is to protect the interests of existing and future consumers when carrying out its regulatory functions and this policy statement encourages this, suggesting that Ofgem should make decisions which balances the short and long-term interests of consumers. The statement also echoes government's support for government to make full use of its powers to take timely action where appropriate and ensure that the energy market is stable and protects consumers (including business consumers) from unfair market practices.

### Referencing specific government targets

There have been several requests for the SPS to include explicit references to specific government targets or commitments, including those in legislation.

#### Response

We have added in references to these throughout the paper in a more effective way by placing these references directly into or next to the relevant narrative within the paper. We have also added a strategic priority on reaching net zero targets as per the Climate Change Act 2008.

### Whole systems

Generally, stakeholders welcomed the emphasis on whole systems, particularly the need for NESO to build up capability to take a whole system view in its roles. There were a range of calls for references to whole systems to include further energy sources and technologies, including nuclear, heat, electric vehicles (EVs), carbon capture usage and storage (CCUS), Direct Air Capture (DAC), synthetic fuel manufacture, biomass and biofuels.

Some suggestions also included calls for more clarity around the timescales of whole system planning and the impacts this may have on existing network companies.

#### Response

We have included further emerging technologies in the reference to whole systems in the SPS, however we have been clear that we don't intend for this to be an exhaustive list.

We do not consider the SPS the best place to provide clarity around timescales for whole system changes.

### Cost-effective, best value and lowest cost

Some stakeholders have suggested using the term 'cost-effective' or 'best value' instead of 'lowest cost' throughout the document.

#### Response

We have amended where possible within the document to include references to 'cost-effective' or 'best value'. However, in many cases where an existing government commitment already includes language regarding 'lowest cost' it is not appropriate to change the language and thus we have kept as is in those situations.

### Proposing new policies or duties

Many stakeholders have suggested creating new policies or duties to support certain areas of the energy industry or to give additional responsibilities to Ofgem.

#### Response

Government does not believe that the SPS is the correct format for creating new powers, policies or duties. Ofgem already has numerous duties and responsibilities within the energy sector and, within the SPS, government encourages Ofgem to make full use of these existing powers to regulate the energy market.

The SPS has included as much forward-facing detail as possible but given the legal framework, we feel it is appropriate to focus on existing government policy and what the key priorities and policy outcomes are within that to make clear what government's focus is for the sector, and to ensure that the SPS contains policies where we are confident in their deliverability. Putting targets or new policy within the SPS without mutual agreement on the detail of such policies with delivery partners could result in the target or policy being unachievable within the timeframes.

Similarly, by reaffirming what government's key priorities are for the sector, we aim to give confidence to regulators and industry over where our focus is to promote alignment within the sector. Adding further policies and duties may distort this as stakeholders may question whether other existing policy areas are still a priority for government.

### Update on timelines for workstreams

Many stakeholders requested updates or clarity on timelines on various workstreams mentioned within the SPS.

#### Response

Where possible we have added further information on timelines for a number of workstreams. However, as discussed above, where timelines are not agreed at the time of publication, the SPS does not contain this detail as we do not feel it is appropriate to set new targets or timelines in this framework without having already agreed this with the relevant stakeholders (namely NESO and Ofgem) as this may inadvertently guide industry towards unrealistic targets.

### Concerns about resourcing

Some stakeholders raised concerns that Ofgem and NESO may not be properly resourced to deliver effectively upon the strategic priorities and policy outcomes contained within the SPS.

#### Response

This document sets out government's strategic priorities and policy outcomes for energy policy in Great Britain and puts them into a framework where Ofgem and NESO must have regard to them when carrying out their regulatory functions. Funding for Ofgem is determined via spending reviews and is finalised by HMT. Funding for NESO is determined via Price Control and is agreed by Ofgem. Ofgem and NESO, as independent bodies, have the discretion to manage their own resourcing and government expects they will factor in their obligations regarding the SPS when determining resourcing. Thus, both bodies have the liberty to prioritise according to their resourcing while having regard to the SPS.

### Reporting

Some stakeholders raised questions over the expectation of Ofgem and NESO to report on how they are progressing the Strategic Priorities and Policy Outcomes in the paper.

#### Response

Part I (5)(2A) of the Utilities Act 2000 provides that Ofgem's annual report for each year shall include a report on:

- (a) the ways in which the Authority has carried out its duties under section 132(1) and (2) of the Energy Act 2013 in relation to the SPS (so far as the SPS was designated as in effect during the whole or any part of the year), and
- (b) the extent to which the Authority has done the things it proposed to do during that year in implementing its strategy for furthering the delivery of the policy outcomes contained in the SPS.

The report must, in particular, include:

- (a) the Authority's assessment of how the carrying out of its functions during the year has contributed to the delivery of the policy outcomes contained in the SPS, and
- (b) if the Authority has failed to do any of the things it proposed to do to implement its strategy, an explanation for the failure and the actions the Authority proposes to take to remedy that failure.

NESO does not have the same reporting requirements to Parliament. Instead, we intend for NESO to report to Ofgem as part of its existing business plan process. This was proposed as part of Ofgem's previously published draft NESO licence consultation<sup>7</sup> and will be consulted on again in our upcoming statutory consultation on NESO's Day 1 licence conditions. The final reporting requirements for NESO will be confirmed following the consultation.

### Carbon Capture, Usage and Storage (CCUS) development

Multiple stakeholders referenced that the development of CCUS is a necessity for net zero. It was highlighted that a clear timeline and notifications on locations of major projects is needed. This is to help provide investors' confidence that the CCUS market is a priority for government and will allow the market to commence infrastructure development.

#### Response

Government is committed to supporting the deployment of four CCUS clusters by 2030, with the latest update on the cluster sequencing process reflected within the CCUS section of the SPS.

<sup>&</sup>lt;sup>7</sup> https://www.ofgem.gov.uk/publications/future-system-operator-fso-draft-licences-consultation

### Carbon Capture, Usage and Storage (CCUS) SPS

Some stakeholders have noted that the Energy Act 2023 allows the government to publish a SPS for CCUS and have asked for more detail on the interaction between the Energy SPS and CCUS SPS.

#### Response

The Energy and CCUS SPSs are intended to be distinct, yet complementary where appropriate. The Energy Act 2023 is clear that a CCUS SPS must take into account any SPS designated under section 131 of the Energy Act 2013 in respect of energy policy. CCUS has applications beyond the energy sector, and therefore comprises broader policy matters than the powers under Part 5 of the Energy Act 2013 provide for.

#### **Networks**

A variety of points were raised in regard to electricity and gas networks within the SPS. Some stakeholders called for clarity on whether the ambition for network infrastructure was applicable to both electricity and gas as the SPS had a disproportionate focus on electricity. Stakeholders also wanted clarity on the system approach to network build and to prioritise strategic investment to ensure net zero ambitions.

#### Response

The Strategic Priorities and Policy Outcomes within the SPS have been updated to provide clarity on these points.

### Role of hydrogen and natural gas

Some stakeholders have stated that the SPS should be more decisive in discussing the role of hydrogen and natural gas. Stakeholders have identified recent publications from both the Climate Change Committee (CCC) and Electricity System Operator (ESO) which outline that "it will be widely used in the economy including in the hard-to-abate industry sector, power, transport and for domestic heating purposes to supplement Heat Pumps and in hybrid devices. Hydrogen also allows existing networks to be reused rather than consumers paying for the considerable decommissioning costs and the expansion of alternatives".

#### Response

The SPS is explicit about hydrogen ambitions where these have already been confirmed publicly, and this has been further strengthened through changes proposed in response to feedback on hydrogen networks transport and storage infrastructure.

Government's position is that we need further evidence before we can take strategic decisions on the role of hydrogen heating. Therefore, we have not included any further detail in respect to the role of hydrogen in decarbonising heating.

#### **Nuclear**

Some stakeholders expressed views opposing nuclear energy, suggesting that it could not be considered clean energy. In addition, there were some views around the length of time it would take to deliver a nuclear power station and the value for money.

#### Response

Nuclear has a critical role to play in the UK's energy security and transition to net zero. It is a form of low-carbon, energy-dense electricity generation that has been proven at scale, providing reliable, safe electricity. There may also be opportunities for nuclear to leverage it being 'always on' through the production of low-carbon hydrogen or through community heating arrangements. The British Energy Security Strategy committed to deploy up to 24GW of civil nuclear power by 2050, around 25% of the UK's electricity generation requirement. The Strategy sets out a plan to take one project to final investment decision this Parliament and two in the next Parliament, including Small Modular Reactors (SMRs).

The Secretary of State decides which projects are suitable for a Regulated Asset Base (RAB) based on the designation criteria including a judgement on the maturity of a project, and whether a RAB model is likely to result in value for money. This has now been reflected in the SPS.

### Reference to targets in specific industries/sectors

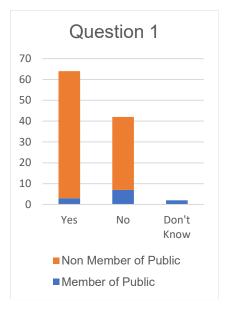
Stakeholders from various industries, notably transport and mobile networks, have asked for more detail or ambition for their sectors including around climate resilience and decarbonisation.

#### Response

As the SPS encompasses the whole energy sector and is written within the framework of the Energy Act 2013, we have avoided granular details in specific policy areas outside of energy and have instead kept the SPS to a high-level where possible. Please note that any commitments made outside the SPS (including the 'Transport Decarbonisation Plan') are still valid even if not explicitly referenced within the SPS.

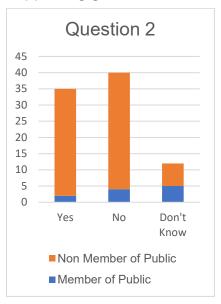
# Annex 1 – Quantitative Data

Figure 1 - Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for government in formulating policy for the energy sector in Great Britain?



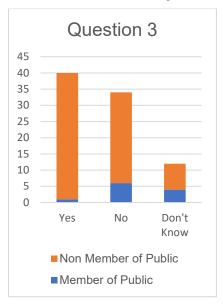
QUESTION 1	Yes	No	Don't Know	Total
Member of Public	3	7	2	12
Non-Member of Public	61	35	0	96

Figure 2 - Does the strategy and policy statement effectively set out the role of Ofgem in supporting government to deliver its priorities?



QUESTION 2	Yes	No	Don't Know	Total
Member of Public	2	4	5	11
Non-Member of Public	33	36	7	76

Figure 3 - Given the Future System Operator does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the Future System Operator's role in this document?



QUESTION 3	Yes	No	Don't Know	Total
Member of Public	1	6	4	11
Non-Member of Public	39	28	8	75

This publication is available from: <a href="https://www.gov.uk/government/consultations/strategy-and-policy-statement-for-energy-policy-in-great-britain">www.gov.uk/government/consultations/strategy-and-policy-in-great-britain</a>
If you need a version of this document in a more accessible format, please email <a href="mailto:alt.formats@energysecurity.gov.uk">alt.formats@energysecurity.gov.uk</a> . Please tell us what format you need. It will help us if you say what assistive technology you use.