



UK Government

Draft Strategic Policy Guidance for Electricity Networks Growth

Consultation

Closing date: 19 August 2026



© Crown copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Contents

Introduction	4
General information	5
Why we are consulting	5
Consultation details	6
How to respond	6
Confidentiality and data protection	7
Quality assurance	7
The proposal	8
Consultation questions	10
About you	10
Part A: scope and clarity	11
Part B: Impact of guidance	12
Part C: Ease of implementation	14
Part D: Any other comments	15
Next steps	16

Introduction

In June 2025, the government published its Modern Industrial Strategy setting out that the UK has major growth opportunities in Clean Energy Industries – across wind, nuclear fission and fusion, carbon capture usage and storage (CCUS), hydrogen, and heat pumps. This included supporting electricity networks as a foundational enabler to growth. The Modern Industrial Strategy set out the absolute imperative of harnessing the opportunity afforded by the energy transition to incentivise companies to build in Britain. This will drive growth, support good quality jobs in Britain’s industrial heartlands, and help build an energy system that brings down bills for households and business for good.

Growth also has significant potential to bring social and environmental benefits to the UK. As outlined in the Clean Energy Jobs Plan, the government’s plans will create hundreds of thousands of good jobs across every nation and region of the UK, driven by growth in the Clean Energy Industries. Growing the UK’s Clean Energy Industries and boosting domestic supply chains for electricity networks are also fundamental to enabling clean power projects to connect to the grid and supporting wider industry to decarbonise – both of which carry clear environmental benefits. Shorter supply chains can also carry wider environmental advantages, for instance by reducing emissions associated with transport.

The government considers this growth opportunity to be particularly significant and time-critical in electricity networks. Networks are essential enablers for economic growth, and there is currently a strong opportunity to boost domestic production in the networks supply chain and support the creation of good jobs. The industry-led, government-backed, Electricity Networks Sector Growth Plan aims to outline the current domestic supply chain and skills base, and sector opportunities for investment. It will set out a series of industry, government, and Office of Gas and Electricity Markets (Ofgem) actions which will enable sector growth. To maximise this opportunity, the government is proposing to issue guidance to the Gas and Electricity Markets Authority (The Authority), Ofgem’s governing body, regarding growth in the networks sector. This consultation seeks to gather feedback on the proposed guidance.

General information

Why we are consulting

This consultation seeks to gather feedback on proposed social and environmental guidance for the Gas and Electricity Markets Authority – as the governing body for Ofgem – on delivering growth through electricity networks to be issued under section 3B(1) of the Electricity Act 1989. The purpose of this guidance is to ensure that Ofgem is able to support electricity networks to enable growth in a way that is consistent with its objectives, duties, and functions. This will build on and align with Ofgem’s delivery of their growth duty by enabling a greater focus on procurement mechanisms as a growth lever, alongside the duty’s other growth drivers. The Modern Industrial Strategy sets out that growth is driven by business investment in the UK and particularly in the UK’s high growth sectors, increasing productivity and exports, and the creation of good jobs across the country.

The government is issuing this guidance now because there is a strong, time-critical opportunity to boost domestic production in networks supply chains to support successful delivery on industry’s Electricity Networks Sector Growth Plan. This is underlined by publication of the Modern Industrial Strategy and Clean Energy Jobs Plan in 2025, recent support for transmission owners provided through the National Wealth Fund to support Electricity Transmission 3 (ET3) project delivery, and in the context of distribution network owners finalising business cases in December this year for the Electricity Distribution 3 (ED3) price control. The guidance will be replaced by the new Ofgem-specific Strategy and Policy Statement (SPS), once this has been legislated for. This consultation seeks to gather feedback from a range of stakeholders, to ensure they have had a full and fair opportunity to comment on the guidance and enable government to ensure it is effective, simple, and easy to implement.

A full draft of the guidance can be found on [GOV.UK](https://gov.uk).

Consultation details

Issued: 8 July 2026

Respond by: 19 August 2026

Enquiries to:

Supply Chain Strategy and Policy Team (EN consultation)
Clean Energy Investment Directorate
Department for Energy Security and Net Zero
5th Floor
3-8 Whitehall Place
London
SW1A 2AW

Email: networksgrowthguidanceconsultation@energysecurity.gov.uk

Consultation reference: Draft Strategic Policy Guidance for Electricity Networks Growth

Audiences: We welcome feedback and evidence from a range of stakeholders; including The Authority, from Ofgem licensees, Citizens Advice, Consumer Scotland, manufacturers, developers and industry bodies.

Territorial extent: Great Britain only (Ofgem do not regulate in Northern Ireland)

How to respond

Respond online at: <https://energygovuk.citizenspace.com/energy-security/draft-strategic-policy-electricity-networks>

or

Email to: networksgrowthguidanceconsultation@energysecurity.gov.uk

Write to:

Supply Chain Strategy and Policy Team (EN consultation)
Clean Energy Investment Directorate
Department for Energy Security and Net Zero
5th Floor
3-8 Whitehall Place
London
SW1A 2AW

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the [government's consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

The proposal

This consultation seeks to gather feedback on proposed social and environmental guidance for the Gas and Electricity Markets Authority– as the governing body for Ofgem – on delivering growth through electricity networks, to be issued under the Electricity Act 1989. The purpose of this guidance is to ensure that Ofgem is able to support electricity networks to enable growth in a way that is consistent with its objectives, duties, and functions. This will build on and align with Ofgem’s delivery of their growth duty by enabling a greater focus on procurement mechanisms as a growth lever, alongside the duty’s other growth drivers. The Modern Industrial Strategy sets out that growth is driven by business investment in the UK and particularly in the UK’s high growth sectors, increasing productivity and exports, and the creation of good jobs across the country.

The government is issuing this guidance now because there is a strong, time-critical opportunity to boost domestic production in networks supply chains to support successful delivery of industry’s Electricity Networks Sector Growth Plan. This is underlined by publication of the Modern Industrial Strategy and Clean Energy Jobs Plan in 2025, recent support for transmission owners provided through the National Wealth Fund to support Electricity Transmission 3 project delivery, and in the context of distribution network owners finalising business cases in December this year for the Electricity Distribution 3 price control. The guidance will be replaced by the new Ofgem-specific Strategy and Policy Statement, once this has been legislated for.

The proposed guidance sets out that, in line with the priorities of the Modern Industrial Strategy, the Authority should consider:

- How its strategic planning aligns with the desirability to promote growth through electricity networks across the UK
- Where it can make changes to its strategic plans to ensure that these are supporting growth across electricity networks, within the parameters set by the Authority’s objective, duties, and functions
- Where it can incorporate workforce and skills standards into its strategic plans and wider regulatory approach to ensure sector consistency and the creation of good quality jobs, in line with the objectives of the Clean Energy Jobs Plan

The opportunity to drive growth also extends to the procurement of critical network equipment and components. In this case, the guidance sets out that government expects the Authority to:

- Consider how it can ensure that its regulation is enabling procurement approaches that strengthen domestic capability, improve energy security, and resilience in supply chains and skills, while supporting value for money for billpayers and delivery confidence.
- Consider how it can ensure its regulation is enabling a procurement approach that takes social value into account, and as far as possible within existing its legal and regulatory framework. The definition of social value should pay focused consideration to the government's growth and Industrial Strategy ambitions and should appropriately support the build-up of our domestic manufacturing, services, and skills capacity especially for critical manufacturing elements.
- Explore setting clearer expectations for our regulated entities by considering the development of near-term guidance which outlines growth metrics and benefits across the sector for network owners to consider in their procurements.
- Work with officials at the Department for Energy Security and Net Zero (DESNZ) and the sector more broadly to ensure that any future SPS can build on these metrics and benefits to provide a clear expectation that works for government, the Authority, and industry.
- The government expects the Authority to demonstrate how it has helped the government make progress towards the considerations set out in this guidance and requests that the Authority do so in writing for publication on an annual basis.

A full draft of the proposed guidance is available on GOV.UK.

We welcome feedback and evidence from a range of stakeholders; including The Authority, from Ofgem licensees, Citizens Advice, Consumer Scotland, manufacturers, developers, trade unions, and industry bodies to inform the development of the proposals and associated guidance. Your input will be vital in shaping guidance that is effective in supporting growth and is simple and easy to implement.

Consultation questions

About you

1. What is your name?

[free text]

2. What is your email address?

If you enter your email address you will automatically receive an acknowledgement email when you submit your response, and a copy of your response.

[free text]

3. What is your organisation?

[free text]

4. Are you an Ofgem license holder?

- Yes
- No
- Not sure

5. We usually publish a summary of all responses, but sometimes we are asked to publish the individual responses too. Would you be happy for your response to be published in full?

- Yes
- Yes, but without identifying information
- No, I want my response to be treated as confidential

6. How did you hear about this consultation?

- Email from government department
- Email from elsewhere
- GOV.UK alert
- Newsletter
- X
- Other – please specify

[free text box]

Part A: scope and clarity

The following questions seek views on whether the draft guidance provides a clear, coherent and appropriate instruction to the market.

7. **Does the draft guidance provide a clear, coherent and appropriate instruction to the market?**
- Yes
 - Partially
 - No
 - Not sure
8. **Are the expectations and associated considerations clear and easy to interpret?**
- Yes
 - Partially
 - No
 - Not sure
9. **Please explain your answers, focusing on the overall clarity, coherence and appropriateness of the guidance.**

[free text]

Part B: Impact of guidance

This section explores the positive and negative impacts that the issuance of this guidance could have; and welcomes suggestions on possible improvements and or amendments that should be made to ensure maximal positive impact and mitigate negative consequences.

10. In your opinion, would the issuance of this guidance in its current form support you to deliver growth? In particular, please consider whether it will support you in making procurement decisions that lead to UK growth outcomes.

- Yes
- Partially
- No
- Not sure

11. Please explain your answer, including reference to evidence where possible.

[free text]

12. In your opinion, would the issuance of this guidance in its current form support you to deliver a) good quality jobs and b) a stable, skilled workforce?

- Yes
- Partially
- No
- Not sure

13. Please explain your answer, including reference to evidence where possible.

[free text]

14. Are there any changes that government could make to this guidance to enable it to operate more effectively and/or “go further” in delivering growth?

- Yes
- No
- Not sure

15. If you answered yes, please explain your answer including detail of suggested changes and why you would find them helpful.

[free text]

16. Do you foresee any risks associated with implementing the guidance?

- Yes
- Partially
- No
- Not sure

- 17. If you answered yes, please explain your answer and clearly list the risks which you feel are most acute and important for government to consider. Please include reference to evidence where possible.**

[free text]

- 18. If you answered yes, are there any changes that government could make to this guidance to mitigate these risks, whilst still increasing growth within the UK?**

[free text]

Part C: Ease of implementation

The following questions seek views on whether relevant organisations could easily implement the guidance, and tests whether there are edits to the guidance which would support its implementation.

19. Is your organisation responsible for implementing the steps the guidance sets out?

- Yes
- Partially
- No
- Not sure

20. If you answered yes, partially, or not sure, do you foresee any barriers or challenges to implementing the guidance?

- Yes
- No
- Not sure

21. If you answered yes, please explain your answer.

[free text]

22. If you are a Transmission Owner or Distribution Network Operator, do you feel this guidance will support you in implementing a social value weighting in procurements?

- Yes
- No
- Not sure

23. Please explain your answer. In particular, if you answered no, why not?

[free text]

24. Are there are there any changes that government could make to this guidance to enable easier implementation?

- Yes
- No
- Not sure

25. If you answered yes, please explain your answer.

[free text].

Part D: Any other comments

26. Do you have any other comments on the draft guidance?

[free text]

Next steps

Your responses will be reviewed and used to inform further edits to the proposed guidance, and a decision on the issuance of the guidance.

Government will publish a response to this consultation within 12 weeks of the closing date.

This publication is available from: www.gov.uk/desn2

Any enquiries regarding this publication should be sent to us at:
networksgrowthguidanceconsultation@energysecurity.gov.uk

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.