

# National Grid DSO Independent DSO Panel Minutes - 12 May 2025

## In attendance

Regina Finn, Panel Chair  
Doug Cook, Panel Member  
Janine Michael, Panel Member  
Nina Skorupska, Panel Member

Cathy McClay, Managing Director, DSO  
Ben Godfrey, Director, DSO  
Matt Blackmur, Head of Strategy and Stakeholder, DSO  
Louise Schmitz, Head of Regulation and Governance, DSO  
Adam Curtis, DSO Panel Manager (Secretariat)

## Itinerant attendees

Luke Hall, Head of External Affairs and Stakeholder Engagement, NGED (Update on ED3 item only)  
Shakeel Butt, Head of IT and Digital, NGED (IT and Digital item only)  
Members of the IT and Digital Team, NGED (IT and Digital item only)

## Managing Director's Update

**Senior Leadership Team:** Cathy explained that all SLT roles had been filled. Matt Blackmur joined the DSO on 12 May as Head of Strategy and Stakeholder from NESO's Corporate Strategy team. Doerte Schneemann joined the DSO on 1 May as Head of Flexibility Markets from the Department of Energy Security and Net Zero (DESNZ).

**Headcount:** The Panel queried whether the five-year outlook for recruitment and discussed how the ED3 strategy and business plan could drive this view. Cathy proposed that the DSO presents its developing Strategy to the Panel at its July meeting.

**Action: Matt Blackmur to present progress on the DSO Strategy at the next Panel meeting.**

**CSE Report:** The Inclusive Flexibility report was published in March and a roundtable to discuss findings and next steps will be held on 2 June. The roundtable targets senior stakeholders and the Panel discussed steps to ensure that the right participants were present. The invite will be extended to all Panel members.

**NGED Board:** Cathy presented her annual DSO update to National Grid's Board in April, following Regina's update in January. The Board was interested in the DSO's benchmarking relative to other peers and its internal relationship with the DNO.

**Stakeholder Engagement:** Feedback from the 20 March DSO Stakeholder Event has been collected and themes are being analysed.

**Annual Stakeholder Survey:** The Panel received an update on the latest responses and scores from the annual Ofgem Stakeholder Survey. The Panel was pleased with the scores and discussed the approach to the survey, recognising the importance of achieving a similar number of respondents to the previous year.

**Strategic Action Plan:** An update of the Strategic Action Plan detailing the priority deliverables for FY2025-2026 will be published in early June. The Panel highlighted the need for clear narrative that links the actions being undertaken to the value they create for stakeholders.

The Panel discussed the importance of the data elements of the Strategic Action Plan, including sharing new data, visualizing data for local areas, and of automating processes linked to these. The Panel also highlighted the importance to stakeholders of creating a live APIs within the new DSO website, to enable access to data.

**Action: Matt Blackmur to elevate the significance of digital and data in the Strategic Action Plan update and to work with DSO SLT to establish clear narratives justifying the actions being taken.**

## Update on ED3

Cathy presented an overview of the DSO's role within NGED's wider ED3 plan. The DSO is involved in several workstreams of NGED's ED3 programme. The Panel's Chair will be joining NGED's Independent Stakeholder Group, which will increase alignment between the DSO Panel and NGED's ISG.

Ofgem's ED3 decision published on 30 April discussed the DSO role in providing capacity and reliability for the network. The Panel inquired about integration between ED2 and ED3, recognising the importance of whole system planning in the next price control. Cathy highlighted the importance of demonstrating benefits to customers and aligning with key sector initiatives: RESP and CP2030. The Panel felt that the DSO's priority for ED3 should be to unlock the benefits of those national initiatives. Ben highlighted the need to identify where value exists in the system and to capture it. He highlighted a successful example where the DSO was unlocking system value through the Technical Limits activity.

The DSO is undertaking a DFES-lite in advance of the Transitional RESP. The anticipated benefit of the Transitional RESP has a current target of January 2026, with a consultation expected Autumn 2025.

Luke presented an overview of NGED's wider approach to stakeholders as part of ED3. The Panel was asked to comment on the early stage of the work presented.

The Panel emphasised that affordability, security and resilience should be priorities in NGED communication, due to shifts in national context. They also highlighted the need for real stories aligned to clear customer segments, particularly for innovation and market facilitation. Janine raised the importance of aligning NGED consultations with those of other regional stakeholders to avoid consultation fatigue.

## IT and Digital

Shakeel presented the panel with an overview of NGED IT & Digital Transformation and the specific work that benefits the DSO. The new structure gives the DSO a dedicated product manager and product owner to lead on the digital assets the DSO will use to create stakeholder value. The Panel recognised the ambitiousness of the transformation and the potential benefits that it will unlock for the DSO and stakeholders. The Panel requested to be kept updated on how implementation progresses.

## Performance Panel Challenge Session

The Chair recognised the Panel's important role in supporting the DSO's preparation for the Ofgem Performance Panel session by providing a critical friend review of the DSO's written submission. Panel members were asked to scrutinise the DSO's written submission with a view to identifying areas that Ofgem may explore further during the Performance Panel session.

**Delivery of DSO Benefits:** The Panel provided some additional narrative suggestions for the benefits the DSO will deliver beyond April 2030. The DSO welcomed the suggestion that the DSO engage with several Local Authorities to develop evidence for the benefits it is creating.

**Action: Ben Godfrey to incorporate Panel suggestions on benefit stories into the performance panel presentation, including refinement of the post-2030 benefits timeline.**

The Panel discussed the DSO's incorporation of the ENA Theory of Change and highlighted an opportunity to work across DSOs to set a common industry standard for benefits, particularly in light of ED3 preparation.

The Panel discussed the importance of social value creation and acknowledged the positive work of the DSO in supporting Local Area Energy Plans through knowledge sharing. The positive impact on consumer bills of DSO actions was discussed and the Panel suggested that the DSO should develop quantitative evidence of the positive bill impacts it creates.

**Action: Louise Schmitz to explore how best to evidence positive DSO impacts on consumer bills.**

**Data and Information Provision:** The Panel recommended several achievements that the DSO could highlight on this topic, including the creation of the network opportunity map, which was a direct response to stakeholder feedback.

**Flexibility Market Engagement:** The DSO's digitisation journey was highlighted, particularly around the onboarding of new flexibility providers. The importance of local markets and the DSO's strong position was recognised. The Panel underlined the importance of flexibility for the whole system and discussed the DSO's evolving relationship with NESO.

**Conflict of Interest:** The Panel queried how stakeholders felt about the DSO's approach to conflicts of interest. Cathy highlighted a workshop held in January 2024 to gather perspectives on governance, which shaped the DSO governance workplan. This culminated in publication of an updated Guide to Governance and the full DSO Policy suite. The Chair suggested that the DSO should use its governance experience to proactively support other DSOs.

**Distributed Energy Resources and Flexibility:** The Panel discussed the dispatch of energy assets. The DSO confirmed it had dispatched 3.1 GWh of energy across 70,000 assets. The Panel welcomed this example of system operation driving efficient costs to consumers and highlighted this outcome as an important pillar of its overall narrative when presenting to the Ofgem Performance Panel.

## Governance Updates

**Assurance:** The DSO has aligned with National Grid Group's standard for assurance and had asked the NGED Risk and Controls team to conduct an assurance process of the Planning and Network Development policy. The outputs were shared with the Panel, who recognised the importance of a robust process and highlighted the need for clear management of conflicts of interest. The Panel reflected upon the benefits of leveraging National Grid Group's independent audit processes and supported its ongoing use for DSO assurance. The Panel reaffirmed its agreed role of informing the scope of larger assurance processes.

**Governance of network operations:** The Panel recognised that decentralisation of the energy system creates complexity for network operation, which impacts on governance between the DSO and DNO. Louise outlined work initiated by the DSO through the Functional Separation Group as an example of DSO-DNO working and the need for jointly agreed standards. The DSO's approach was shared with the Panel and the planned outputs of the work were discussed. The Panel indicated the importance of engaging partner organisations at the appropriate moment.

## Key Performance Indicators (KPIs)

Ben outlined the proposed new KPIs, emphasizing the need for consistent measurement and reporting, with a focus on DSO performance and transparency. The Panel provided feedback on the framing and narrative for the KPIs, highlighting opportunities to improve the communicated purpose and justification behind each KPI in a more accessible way.

**Action: Ben Godfrey to refine the framing and narrative of the proposed KPIs.**

Janine highlighted the importance of fairness in the distribution of benefits, particularly regarding the balance between vulnerable and wealthy households. She queried and whether there may be an opportunity for future KPIs to drive fairness.

## Consolidate and Formal Meeting Close

The Chair highlighted the usefulness of the day and summarised the following key points:

- 1) The importance of stakeholder engagement for ED3 and opportunities to further enhance the stakeholder engagement strategy around the evolving national context.
- 2) The ambitious nature of the IT & Digital transformation and the value it will deliver to NGED.
- 3) The value the DSO Panel has been able to add in providing critical friend review of the Ofgem Performance Panel Submission.
- 4) The importance of the credibility of independence assurance of DSO policies.
- 5) Opportunities to further refine the DSO's KPIs to provide an intuitive story to stakeholders.

The Panel discussed how other DSO Panels were evolving in different directions. Cathy queried whether the Panel felt they were being well utilised. The Chair and Panel confirmed that they felt they were appropriately supporting the DSO's progression and work.

The next meeting will take place via Microsoft Teams to accommodate scheduling.