

Minutes: Independent DSO Panel, 10th November 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, Innovation and Stakeholder, DSO
Louise Schmitz, Head of Regulation and Governance, DSO
Adam Curtis, DSO Panel Manager (Secretariat)

1. Welcome and DSO Panel Chair's Update

- 1.1. **Governance Deep Dive:** The Head of Regulation and Governance presented DSO's approach to Governance to the Panel for feedback on 1 October. The importance of external assurance is a priority and the Panel recommends a clear plan is established to achieve this.
- 1.2. **NGED ED3 Independent Stakeholder Group (ISG):** An additional session will be held on 25 November to discuss the Sector Specific Methodology Consultation (SSMC). The DSO Strategy will be presented at the ISG meeting in January.
- 1.3. **NESO ISG:** Coordination with DSOs has emerged as an area of interest for the NESO ISG, and engagement with key stakeholders highlighted as a priority.
- 1.4. **DSO Chairs Group:** The Chairs Group met on 13 October to discuss initial views on the SSMC. A follow up will be held on 21 November.
- 1.5. **Action: Chair will introduce Nina to both the DSO Chairs group, and the Chair of the NGED ED3 ISG, to support improved coordination.**

2. Managing Director's Update

- 2.1. **ED3 & SSMC:** The priority is to provide the right inputs into ED3 to deliver best outcomes for consumers. Managing the Transmission-Distribution boundary has emerged as an area of priority. The internal pressures of delivering ED3 and SSMC are being balanced against the need to deliver ED2 commitments for the current year.

- 2.2. **Strategy, Innovation and Stakeholder Team:** The team has increased its capacity since the previous meeting. The DSO is seeing a notable increase in media publicity and external engagement as a result of these investments in capability.
- 2.3. **Electricity Futures Autumn Conference:** Held over two weeks in October, the virtual conference has received positive feedback from stakeholders. The schedule of the virtual sessions was deliberately structured to complement NESO's RESP webinars.
- 2.4. **Budgeting:** NGED is currently undertaking its annual budgeting process for FY27. DSO teams are prioritising investment based on ED2 commitments.
- 2.5. **Innovation:** DSO is working with the University of Bath on a Security of Supply innovation project. Ofgem is invited to attend the early findings workshop on 10 December.

3. DSO Incentive Annual Report

- 3.1. **Incorporating feedback:** The structure of the next Panel Report will learn from recent Ofgem feedback. All DSO teams are being made aware of what they will contribute for the report. The additional capacity and expertise within the Stakeholder team is preparing to support the submission.
- 3.2. **DSO Collaboration Group:** External consultants are creating a consistent methodology for activities across DSOs, including social and carbon benefit reporting. The work will not adversely impact anything being reported on.
- 3.3. **Data:** Opportunities for improvement highlighted in recent Ofgem feedback are being addressed. NGED's IT and Digital (IT&D) team are supporting the DSO to improve the accessibility and availability of data.
- 3.4. **Stakeholder:** DSO collects feedback from stakeholders across its engagement touchpoints throughout the year, but does not always state the actions taken in response to these requests. DSO will improve how it communicates the links between data being published and requests being made by stakeholder.

4. Key Performance Indicators

- 4.1. **KPI Reporting:** Investments are being made to enhance the utility and visibility of KPIs within the DSO, which is expected to enhance strategy execution and consumer outcomes.
- 4.2. **Curtailed Avoided:** So far in FY25, 450 GWh of customer curtailment has been avoided (roughly 20% of average annual curtailment). The annual target for FY26 is 300 GWh, representing a significant success for an area of high customer importance.
- 4.3. **Capacity added vs directed:** DSO tracks how much network reinforcement it recommends to the DNO and how much of this is actioned. This is an important area of DNO-DSO collaboration and the Panel suggests that the importance of this interface should be highlighted as part of NGED's SSMC response.
- 4.4. **Action:** Louise Schmitz to highlight Capacity Added vs Directed as an important SSMC area.

5. DSO Strategy

- 5.1. **Feedback and Strategic Direction:** The latest draft of the DSO Strategy reflects previous input from the Panel. Feedback from the Panel is positive and NGED's Executive is supportive.
- 5.2. **Transmission-Distribution Boundary:** The importance of managing the Transmission-Distribution boundary is highlighted as a core part of the DSO's Strategy. The contractual, regulatory and digital

relationships between NESO and DSOs are highlighted by the Panel as being crucial. DSO continues to engage with Ofgem, NESO and other DSOs.

- 5.3. **Further work:** The Strategy is now transitioning into execution. Additional strategic capability from National Grid Group is supporting this process. The Panel offered its views on the proposed Key Results being executed and offered to provide further feedback as refinements are made.
- 5.4. **Action: Matt Blackmur to provide updated version of DSO Strategy to the Panel.**

6. Strategic Action Plan 2026-2028

- 6.1. **Roadmap Development:** Two-year roadmaps are being developed, which will shape delivery to the end of ED2 by closing out outstanding actions from the ED2 business plan and preparing for ED3.
- 6.2. **Delivering Commitments:** The Panel's view is that DSO needs to ensure it continues delivering on what it set out in previous plans. Assurance remains a priority and previous commitments to stakeholders on assurance will be recognised.
- 6.3. **Innovation and Digital:** Additional Network Innovation Allowance was not allocated to NGED by Ofgem. The Chair will discuss outcomes for other DNOs at the DSO Panel Chairs group.
- 6.4. **Action: Chair to consult with DSO Chairs Group regarding innovation funding.**
- 6.5. **CP2030 Delivery:** The Panel believes that DSO should consider and outline its role in meeting CP2030 commitments as part of the roadmap development.
- 6.6. **Stakeholder Needs:** The Panel's suggests the DSO should explore a customer centric approach to establish where stakeholders want the DSO to be at the end of ED2, as an addition to the Roadmap.

7. ED3 Update & SSMC Response

- 7.1. **Outcomes vs Outputs:** The Panel continues to believe that Ofgem should move away from output-based regulation and focus on customer/consumer outcomes.
- 7.2. **Pathway Alignment:** There is a need for clarity in how DSOs should align with holistic transition and tRESP, considering the deliverability risks associated with the substantive workforce, capital and digital requirements.
- 7.3. **ED3 Approach:** DSO is a central part of NGED's overall response to the SSMC. The Chair's involvement with the NGED ED3 ISG is supporting a joined-up response across NGED.
- 7.4. **Early Proposals Mechanism:** Ofgem will request early proposals for ED3 to be submitted as part of SSMC responses. NGED is evaluating its positioning and the Panel provided feedback and suggestions to improve outcomes for consumers.
- 7.5. **Digital:** The Panel reiterates its view that digital is an area to prioritise for ED3 and should be highlighted in all engagements with Ofgem. A progress update on NGED's digital roadmap from its Chief Information Officer will be part of the planned agenda item at the next Panel meeting.

8. Strategic Workforce Plan

- 8.1. **Workforce Drivers:** The Panel is keen to ensure DSO appropriately considers its present and future staffing needs, particularly in light of recruitment and retention challenges across the sector.
- 8.2. **Capability Uplifts:** Potential risks over a 10-year horizon have been identified through the Strategic Workforce Planning process. The DSO is proposing personnel investments in ED2 and ED3 where additional capacity and capability will be required to deliver customer benefits and the DSO Strategy.

- 8.3. **Future thinking:** The Panel reiterates that the industry will face significant challenges as competition for business critical roles continues to increase. Potential opportunities for collaboration on talent pipelines with other DSOs should be considered.

9. Consolidate and Formal Meeting Close

- 9.1. The Panel reiterates its view that Digital and Assurance are priority areas of focus. Both will be included on the agenda for the next meeting.
- 9.2. The Chair will be presenting the Panel's annual report to the NGED Board in January.
- 9.3. A deep dive will be held on innovation funding, which outlines how DSO approached this in previous years, and what the approach will be going forward.
- 9.4. **Action: Adam Curtis to arrange DSO Innovation Funding Deep Dive.**
- 9.5. A deep dive with the DSO Transmission-Distribution Interface team will take place. This will inform a future session on the relationship with NESO.
- 9.6. **Action: Adam Curtis to arrange Transmission-Distribution Interface Deep Dive.**
- 9.7. The next meeting will be held on 19 February 2026.