

DSO stakeholder panel annual report

March 2026



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1. Introduction from the Chair

Over the past year we have seen a number of major milestones delivered by the SP Electricity North West (SP ENW) distribution system operation (DSO) team. As chair of the company's independent stakeholder panel, I'm extremely proud of the progress we have made together, the input we have provided and the ways our collective knowledge and insight has supported the SP ENW DSO to deliver its objectives.

Feedback from stakeholders at the end of year one of ED2 suggested that the company needed to do more to support its customers and stakeholders to achieve net zero. With the help of this panel and leaders across SP ENW the DSO team delivered a step change in performance, reflected in a much improved performance in the DSO incentive score which rose from 7.1 to 7.8, an increase of almost 10%.

Building on these strong foundations SP ENW has continued to make progress against its DSO transition objectives, although there is still a lot to do.

Over the past 12 months the team has continued to enhance its flexibility services, making it easier for a wide range of providers to take part. It has developed new tools and services and is tackling the connections challenge, looking at proactive ways to connect customers faster and more efficiently. This is helping to avoid costly reinforcement and new infrastructure delivery and keeping the cost to customers as low as possible.

In November 2025 the DSO team connected its first customer using its cutting edge active network management (ANM) system. ANM has transformed how renewable energy projects connect to the grid. It unlocks network capacity, accelerates connections, saves money for customers and enables greater integration of renewable generation, electric vehicles and heat pumps. It's expected that some of projects awaiting connection in the North West will be connected to the network up on average five years earlier than they would have been without ANM.

At the start of the year SP ENW launched its social DSO strategy which provides a clear framework for ensuring the energy transition benefits everyone – focusing on decarbonisation and creating economic value but delivering societal benefits at the same time. As part of this strategy a social DSO fund has been set up to support communities by providing matched funding for projects that install assets (such as battery storage) and take part in local flexibility markets. This will help to distribute investment more fairly across the region and help to build a greener, more resilient and more inclusive energy network.

To date the Social DSO Fund has invested £105,000 into five community led projects and delivered £138,015 in wider societal benefits. These projects include solar installations, battery storage and efficiency upgrades that reduce running costs for buildings delivering essential services, contributing to social cohesion and helping to address the cost of living.

Following feedback from this panel, the company has refreshed its Distribution Network Options Assessment (DNOA) methodology and Operational Decision-Making Framework (ODMF), published an updated DSO DNO Governance Framework and improved the accessibility of its Distribution Future Electricity Scenarios (DFES) report. We are trying to make it easier and more transparent for all stakeholders to understand how SP ENW make their decisions and align with stakeholders objectives.

I look forward to continuing to support the SP ENW DSO team in the coming year as we build on the progress we have achieved together so far, and work towards the delivery of a fair and equitable transition to net zero for the North West.

Andrew McIntosh
Independent Chair

2. Introduction to the SP ENW DSO stakeholder panel

2.1 Purpose

The SP ENW independent stakeholder panel is designed to oversee and guide the scope and pace of the company's transition to DSO. It provides valuable insight, independent oversight and strategic guidance on all DSO initiatives, by sharing expertise and varying viewpoints and offering constructive challenge.

The panel represents a diverse range of stakeholder groups including local authorities, businesses, community organisations, network operators and industry experts.

SP ENW was the first distribution network operator (DNO) to propose a DSO stakeholder panel in its RII0-ED2 business plan (2023-2028), in response to the expressed desires of stakeholders and customers who sought involvement in shaping the scope and pace of the DSO transition.

The panel has been at the heart of SP ENW's engagement structure since July 2023 and is a key element of its overall engagement strategy, being one of five SP ENW advisory panels overseen by the company's independent stakeholder group (ISG). It enables the company to work collaboratively with its stakeholders and ensure that its DSO activities are efficient, reliable and aligned to the region's decarbonisation goals.

2.2 Governance

The panel is comprised of an individual chair and up to 12 representatives from a range of specific, relevant stakeholder categories. It now meets six times a year and is governed by defined [terms of reference](#) (ToR) which serve as a framework for the panel's scope and objectives. This ensures clarity and alignment between panel members, SP ENW and its stakeholders.

The panel is attended by SP ENW's Head of DSO and its DSO Governance & Compliance Lead who also acts as the panel's secretariat. SP ENW subject matter experts and external advisers also attend meetings of the panel as appropriate.

The key objectives of the panel outlined in the ToR are:

- To provide appropriate oversight, challenge, review and guidance on SP ENW DSO activities
- To act as a review body for DSO forecasting, modelling and decision-making methodologies to improve the accessibility and transparency of these documents and, where requested, make observations to change relevant methodologies
- To support the ongoing performance of DSO transition using the measures of the DSO incentive mechanism, supported by evidence gathered from the DSO community, in accordance with Ofgem's performance framework and guidance
- To act as the review body of proposed decisions that have been challenged by an affected third party, make observations on the challenge and where appropriate make observations on a process or methodology.

2.3 Members

Andrew McIntosh, Independent Chair

Andrew is the Executive Director for Sustainable Growth and Infrastructure for the Greater Manchester Combined Authority (GMCA) and manages the housing, planning, infrastructure, land and property and delivery teams. Andrew joined the GMCA in 2012 and managed a series of investment funds focusing on commercial property and housing and was responsible for the implementation of several housing and development investments across Greater Manchester.

Andrew also has significant experience in financial structuring and modelling. In his current role, he is a member of Greater Manchester's Strategic Infrastructure Board and leads the strategic relationship with all the major utility providers across Greater Manchester on behalf of the GMCA, working in partnership with them to support the delivery of the conurbations' growth ambitions and the delivery of the outcomes set out in the Greater Manchester strategy.

Andrew works collaboratively with all ten Greater Manchester local authorities and oversees the deployment of various housing and low carbon funds on behalf of the GMCA and leads the work with the local authorities to develop GM's growth locations.

Greg Dodd, Regulation and Strategic Planning Director at Northern Gas Networks

Greg Dodd is currently serving as the Regulation and Strategic Planning Director at Northern Gas Networks (NGN) with over 15 years of experience in the utilities industry. Dodd's expertise lies in asset and risk management and strategic decision-making. Prior to his current position, Dodd held strategic roles at NGN, including Head of Strategic Planning and Head of Asset Strategy. His focus is on driving business improvements, strategic planning for achieving net zero and enhancing customer service, safety and environmental resilience. Throughout his career, Dodd has demonstrated a commitment to whole-system thinking and collaboration, utilising strong leadership skills and knowledge of the UK-regulated utility industries to drive strategic initiatives aligned with business goals and the shift towards sustainable energy.

Jonathan Edwards, Director of Environment & Planning at Lancashire County Council

In his role at Lancashire County Council Jonathan acts as the lead officer in the county's decarbonisation efforts and in supporting clean and green growth. He has previously held a number of director level roles in local and central government, many of which were focused on delivering local renewable energy projects.

Matt Fawcett, Energy Systems Lead at Carbon Co-op

Matt Fawcett is a co-founder of Carbon Co-op, an energy services and advocacy co-operative, based in Greater Manchester. Matt leads the organisation's Energy Systems Team, overseeing the development of its smart meter data service, its home energy management system and OpenADR flexibility service. A long-term advocate of open technologies and community-based approaches to energy transition challenges, he is active within LF Energy, convened by the Linux Foundation, he also runs Manchester's long running EcoHome Lab householder meetup.

Kate Gilmartin, CEO British Hydropower Association

With a BSc in fuel & energy and an MSc in renewable energy, Kate has experience and expertise across all renewable energy technologies and a passion for delivering net zero. Kate believes that not only is net zero of strategic importance, in terms of CO₂ savings and climate change mitigation, but also with the increased urgency around the UK's energy security, added to the pressing requirement to dramatically reduce the cost of energy and alleviate the pressure of price shocks. With years of experience, Kate brings a whole system thinking perspective to our net zero transition. Kate is a great advocate for hydropower, which she believes is the workhorse of renewable energy. With little visible impact, it continues to power communities year after year, decade after decade and with further support, it could continue to grow as a sector, bringing further benefits to the UK energy transition.

Daniel Heery, Founder of Cybermoor

Daniel Heery is the founder of Cybermoor, which strives to improve online connectivity across parts of Cumbria. Daniel is also a rural energy and community infrastructure specialist. Based in Alston, he works with councils and social enterprises to design local energy schemes, deploy electric vehicle charging and vehicle to grid, and participate in SP ENW's flexibility markets. Daniel focuses on practical delivery from governance, route-to-market and revenue stacking, so that rural sites can connect, flex and decarbonise. With over 25 years' working in co-operative models, he brings hands-on experience across Cumbria and the North West, linking community assets to flexibility services and whole-system outcomes.

James Johnson, Head of Regional Programme for the North West Net Zero Hub

James Johnson has over 20 years' experience in sustainable energy and environmental policy. As Head of Regional Programme for the North West Net Zero Hub he is actively involved in the North West's journey towards the UK's net zero goals. He leads a team that provides expert advice, manages grant programmes and promotes net zero initiatives. Previously, James worked as a consultant in the construction sector, demonstrating a consistent commitment to sustainable solutions. His expertise in building services design, policy and regulation, project management and stakeholder engagement helps him champion the rapid changes needed to meet national and regional climate plans.

Meriel Laikin, Head of Development at Masdar Arlington Energy

Meriel is a Director at Marzipan Energy and Bene Verde, two companies with primary objectives to accelerate the deployment of clean energy assets in the UK. Marzipan Energy is a battery storage and solar PV development company focused on building a pipeline of targeted renewable energy assets in key locations. Bene Verde is a specialist consultancy designed to help developers navigate the complexities of development, construction and financing of renewable energy assets.

Previously, Meriel led the development team in the origination and progression of the 2GW in-house battery storage pipeline that was central to the Arlington Energy platform acquisition in 2022. In addition, utilising her understanding of project viability, Meriel successfully completed more than 200MW of acquisition and disposal transactions and the construction of more than 350MW of battery storage sites.

Craig Morley, Energy Manager at Bruntwood

Craig Morley serves as the Energy Manager at Bruntwood, a prominent commercial property company deeply invested in sustainability and innovation in the real estate sector. With a background rich in energy management and a forward-thinking approach to environmental sustainability, Morley is steering Bruntwood's efforts towards achieving net zero carbon emissions.

His involvement with the Energy Innovation Agency further underscores Bruntwood's dedication to sustainability, showcasing their proactive approach to retrofitting buildings, enhancing energy efficiency and fostering a sustainable environment for their customers and the wider community.

James Shaw-Stewart, Head of Silicon Sands at Blackpool Council

James is currently Head of Silicon Sands at Blackpool Council. In this role he is leading a project of strategic significance for Lancashire, to try and bring data centres to the North West and integrate them with locally-developed infrastructure such as a solar farm and heat network. In parallel with this is a complementary desire to help generate high-tech jobs for the area via the creation of a tech hub and working with local cyber partners. He was previously a technical consultant specialising in storage and flex projects.

James worked in a variety of energy-related roles before joining Everoze in 2021, from academia where he was a Senior Lecturer in Energy Management at Coventry University before leaving academia and working in battery warranties and novel LDES cell development. He has a MSci in Natural Sciences from Cambridge University and a PhD in Chemistry from ETH Zurich.

3. Background

The panel was established in July 2023 with the appointment of its independent chair, Andrew McIntosh, who assisted with the appointment of the original eight panel members representing SP ENW's DSO customer personas.

Earlier meetings were used to bring panel members up to speed with their responsibilities, and within a year the panel was providing robust challenge and feedback. Its input has had, and

continues to have, a direct influence on key DSO publications, including informed reviews of the SP ENW DFES, DNOA and ODMF documents during 2023 and 2024.

Engagement with the panel through years one and two was also used to better inform the ongoing delivery of the DSO transition plan and the evolution of the forward DSO strategy and activities. Some of the key areas where the panel influenced business decisions in its first 18 months include:

- **Operating model and governance:** building on the original terms of reference the company supported the panel to enhance its operating model and establish a clear governance framework and forward work plan
- **Accessibility of DFES:** SP ENW amended its DFES report in response to the panel's recommendations to improve its accessibility, including a plain English review
- **DNOA report:** following recommendations made by the panel, the company made a range of improvements to enhance the user-friendliness of its DNOA reports, in particular presenting clear counterfactuals and a clearer delineation of scenarios and forecasts
- **DSO strategy:** at the DSO Voice of the North West event, held in Manchester in April 2024, stakeholders, including the DSO panel, helped co-design changes to the forward-looking strategy
- **DSO data consultation:** the panel reviewed the consultation questions which helped maximise engagement and gather high-quality feedback
- **ODMF:** In response to the panel's feedback, the ODMF was updated to provide clearer details on when flexibility use cases are applied, how Part 3 connections are managed and how secondary (peer-to-peer) trading is implemented
- **Flexibility strategy:** the panel provided feedback on the flexibility strategy which provides stakeholders with a clear overview of current and future flexibility ambitions
- **Social DSO strategy:** the panel offered valuable feedback, challenged the scale and ambition of its initiatives, and actively contributed to the ongoing development of the strategy.
- **Load-re-opener:** SP ENW submitted its load-related expenditure (LRE) re-opener to Ofgem on 31 January 2025. £201.6 million of additional allowances were requested to meet the evolving needs of stakeholders and to make sure the electricity network is fit for the future.

Throughout the development of the load re-opener document, the LRE re-opener submission was scrutinised by the panel who challenged value for money and highlighted its impact on consumer bills. Following this engagement, we offered a letter of support which was submitted to Ofgem alongside the submission.

- **Flexibility procurement:** the DSO flexibility procurement approach evolved throughout years one and two supported by the panel's feedback, reviewing insights gained through engagement, reviewing proposals and making further suggestions to increase participation. For example, the panel reviewed the outcome of the winter 2024 flexibility tender and challenged SP ENW on the number of bids accepted compared to the number received. The process was reviewed as a result and the feedback also contributed to the team's decision to lower the bid threshold for LV flex from 10kW to 5kW.
- **Independent LAEP review:** the panel helped define the terms of reference and approved the final report for the review which involved 16 local authorities taking part in independently facilitated interviews covering the status and progress of local area energy plans (LAEPs)

4. Review of the current year

Throughout the current year the DSO stakeholder panel has contributed to, reviewed and overseen the development of a number of DSO strategies, published documents, regulatory submissions and responses to industry consultations, described in the sections below.

4.1 Social DSO

SP ENW is committed to doing the right thing, delivering social and environmental value for the communities it serves. In line with this commitment the SP ENW Social DSO strategy was launched at the DSO conference in April 2025, followed by the social DSO fund in the summer.

Panel members provided input and the benefit of their experience on an ongoing basis during the development of the social DSO strategy and have continued to do so throughout its first year of implementation. The panel has also overseen the development and launch of the social DSO fund and its pilot projects and helped develop the performance measures for reporting on social DSO activities (see 4.3 below).

4.2 DSO strategy and delivery

At the start of the year panel members were asked to review the DSO Performance Panel Submission and discussed their feedback with the DSO team. Feedback was also incorporated into the development of the 2025-2026 performance report and associated documents. Once these were drafted the panel was asked to review and comment on them.

Early in the year the DSO team shared their key initiatives for this year and invited the panel to provide feedback. The panel confirmed its support for the proposed activities and initiatives and encouraged the company to continue its focus on social outcomes while also coordinating and collaborating with other DSOs and wider network operators.

4.3 KPIs/DSO benefits measurement

At the start of the year panel members were asked to review and comment on a suite of proposed DSO key performance indicators (KPIs). The panel has continued to review and challenge the DSO KPI scorecard throughout the year. At the end of quarter 3 the panel discussed the current position of the KPIs with SP ENW and the addition of some further KPIs to better focus on the delivery of social DSO activities. Of the 14 KPIs, 10 were green, two amber and two red at the end of quarter 3. Updates on the KPIs are published on the [DSO website](#) every quarter throughout the year to ensure the transparency of DSO progress against its objectives.

The panel has also supported the DSO team as it has further developed and enhanced its benefits methodology and cost benefit analysis (CBA) tool to include a wider range of benefits, including social, economic and health-related benefits. The panel was pleased to see the inclusion of broader benefit types, incorporating the panel's feedback.

In tandem to this, the panel was pleased to note the work of the DSO Collaboration Forum, chaired by SP ENW, on the standardisation of calculation methodologies for a set of in-scope DSO benefits. This work will allow better comparability between DSOs and increase transparency and stakeholder confidence. We look forward to seeing the outcomes of this work in the final published reports.

4.4 Flexibility strategy

At the start of the year panel members were asked to review SP ENW's updated flexibility strategy. The panel was supportive of the strategy but highlighted the importance of handoffs between the DSO and connections teams to ensure wider stakeholder engagement with flexibility. An internal working group had been established to address this.

The panel also observed that the changing nature of the grid connections landscape would need to be reflected in SP ENW's approach and encouraged the sharing of more case studies, either in the strategy document or on the company's website to help bring the topic to life for stakeholders. A number of case studies have since been published on the company website.

The subject of revenue stacking was raised at the June panel meeting. The panel observed that there was potential for this to be used to promote awareness and understanding for non-traditional flexibility service providers (FSPs). A tool to facilitate this has since been launched on the company's website.

The panel had previously stressed the importance of providing education and support around the commercial aspects of flexibility and was particularly supportive of the education and engagement that SP ENW is now undertaking.

Following the success of the autumn tender, the panel encouraged SP ENW to continue to seek opportunities for tenders that might fall outside of the biannual process and to consider new flexibility products for RIIO-ED3 (2028-2033). In December the company launched its monthly flexibility tender – a predictable, locally focused market that rewards flexible assets and strengthens network resilience. The company will also be running a series of flexibility forums in 2026 with a wide range of stakeholders, with the objective of developing new flexibility products and to inform its future flexibility strategy.

4.5 DSO DNO governance and conflicts of interest

Throughout the year the panel has had review and oversight of SP ENW's conflicts of interest register. This has included a review of the risk scoring and suitability of the mitigating actions. The panel is also invited to raise conflicts on behalf of the group or other stakeholders and as such requested that SP ENW add some additional detail to the register to reflect the change of business ownership. The panel has continued to have oversight as the conflicts register has been further developed, looking more widely than just DSO DNO interactions and considering the potential conflicts and tensions involved in the management of the Social DSO fund.

Additionally, the panel has provided review and challenge of the updated DSO DNO governance framework and the governance and compliance annual report. The panel encouraged the DSO team to include examples of case studies to aide transparency and stakeholder understanding.

The panel was also pleased to note the commissioning of an external assurance review of governance processes and encourages the DSO team to swiftly implement the recommendations from that review. Monitoring of this will form part of the panel's workplan for the coming year.

4.6 ToR update

In recognition of the dynamic nature of the DSO transition, SP ENW and the panel have agreed to review the ToR on an annual basis to ensure the panel can respond to industry changes and regulatory policy. Changes to the ToR must be agreed by the panel and the SP ENW Head of DSO.

A best practice review by SP ENW and a survey with panel members were conducted as part of the annual review in June 2025. This resulted in a number of proposed changes which were approved and incorporated into the panel ToR.

As a result, the panel now meets more frequently (bi-monthly instead of quarterly), has broadened its membership to address some observed gaps with the addition of two new members, and has undertaken to publish this report of its activities on an annual basis.

4.7 Stakeholder engagement

At each panel meeting, SP ENW provides an overview of recent DSO stakeholder and communications activity as well as forthcoming events and publications. The panel is asked to provide feedback on key documents and reports in advance of their publication.

In April SP ENW's key DSO messages for the coming year were shared with the panel. The messages were designed to reflect stakeholder feedback and the ambition of the social DSO strategy with a continued focus on transparency and inclusion. The panel was supportive of the clarity and relevance of the messaging.

Panel members have regularly attended DSO stakeholder events, including participating as keynote speakers or sitting on expert panels. We have been impressed by the quality and content of engagement and have also made some further suggestions to encourage opportunities for more organic engagement.

4.8 Industry issues raised by the panel

The panel recognise the importance of maintaining awareness and understanding of current regulatory policies and change and other developments across the energy industry.

Throughout the year the panel has held discussions with and provided feedback to SP ENW on a number of relevant industry issues including:

- RIIO-ED3 business plan regulatory developments – the panel noted the importance of ensuring that local authority and community energy voices were heard as part of this process
- Development of the RESP and tRESP – panel members shared their own experiences of this process and provided valuable stakeholder input to contribute to SP ENW's consultation responses
- Connections reform – the panel discussed the connections reform process with SP ENW's head of connections reform. The panel was interested to understand the impact of the process on SP ENW's connections queue and the types of technologies looking to connect
- Review of Electricity Market Arrangements (REMA)
- SP ENW's response to the National Infrastructure Strategy
- National Infrastructure Commission report on DNOs
- Government consultation on the approach to land use
- Seventh Carbon Budget
- Government consultation on its fuel poverty strategy.

4.9 Policy subgroup

In November the panel held a additional session theme on regulation and policy. This included an update on the ED3 Sector Specific Methodology Consultation and a national policy update on the highlights and potential impacts of the Planning and Infrastructure Bill, the Warm Homes Plan, regulatory change for strategic demand connections and CAS, and the Electricity Networks Sector Growth Plan.

The panel also suggested a number of regulatory topics for follow-up, including workforce and skills (in the context of the Energy Networks Sector Growth Plan), data centres and critical national infrastructure (CNI) (in the context of regulatory change for strategic demand connections) and RESP.

Given the level of interest in this session theme and time constraints at the regular meetings it was agreed that a policy sub-group would be established to allow more time for discussions. This sub-group is now in place and held its first meeting on 25 March 2026.

5. The year ahead

Over the next year, the panel will build on the foundations laid over its first three years of operation. It will continue to guide, oversee and challenge the activities of the SP ENW DSO team – its strategy, policies and deliverables.

Key themes for the coming year will be the ongoing evolution and delivery of SP ENW's social DSO and flexibility strategies. This will include an increased role for the panel in the governance and delivery of the social DSO fund, and an even greater focus on conflicts oversight, looking more broadly at strategic as well as operational conflicts of interest. The panel will also be supporting the DSO as it develops its plans for RIIO-ED3, having already flagged the importance of proactive investment in the network, supporting regional growth and ensuring that community energy and local authority voices are reflected in the business plan outcomes. The panel will also continue its involvement in stakeholder engagement to ensure that the voices of the diverse stakeholders of the North West are represented in all SP ENW DSO activities.

We look forward to continuing our work with SP ENW, providing review, challenge, oversight, and guidance as we work together towards a fair and inclusive net zero carbon future.