

APPENDIX 9

ED3 LRE Mobilisation

October 2025



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1. THE PURPOSE OF THIS APPENDIX

The Load Related Expenditure Re-opener Core Narrative lays out our proposal for funding associated with additional load related investment during the RIIO-ED2 period. The rapid electrification and decarbonisation that we are anticipating on our network – in line with government priorities – significantly exceeds the System Transformation scenario Ofgem directed us to use for our RIIO-ED2 business plan.¹

- 1.1. This appendix outlines our proposal for additional funding specifically to enable **mobilisation of load related reinforcement planned for ED3**. These mobilisation activities need to begin during RIIO-ED2 due to accelerating electrification of demand exceeding RIIO-ED2 baseline projections, forecast to continue into ED3. This submission is aligned with Ofgem guidance and government decarbonisation priorities, ensuring continuity between RIIO-ED2 and ED3 reinforcements without disruption to long-term strategic objectives.
- 1.2. At SSEN Distribution, we are the first DNO to publish long-term Strategic Development Plans (SDPs) for each Grid Supply Point (GSP) on our network.² These SDPs have been developed in collaboration with our stakeholders, and provide a long-term strategic view of evolving network needs, ensuring we can make the right intervention at the right time, with long-term goals in mind. The strategic needs identified in our SDPs underpin our request for ED3 LRE mobilisation funding.
- 1.3. In total we are requesting a total of £108.3m of ED3 LRE mobilisation funding, split into four categories, as outlined in Table 1 below, and detailed within this document.

Table 1: Summary of funding request

Category	RIIO-ED2			RIIO-ED2 TOTAL
	FY 25/26	FY 26/27	FY 27/28	
1 – Defined Schemes	██████████	██████████	██████████	██████████
2 – Forecast Pipeline	██████████	██████████	██████████	██████████
3 – Resource Recruitment and Training	██████████	██████████	██████████	██████████
4 – Voltage Management	██████████	██████████	██████████	██████████
Total	██████████	██████████	██████████	£108,261,226

- 1.4. Work is already on-going to develop our ED3 business plan – in May 2025 we published our ED3 emerging thinking “*Empowering Communities, Enabling Growth*”, which outlines a clear long-term vision and strategy for our network into 2050.³ As outlined in section 3, our approach is fully in line with recent guidance from Ofgem on mobilisation funding in the RIIO-ED2 load uncertainty mechanisms, the ED3

1 RIIO-ED2 Final Determinations Core Methodology Document, 30 November 2022, Ofgem, [RIIO-ED2 Final Determinations](#), p16, para 3.9. “We have reduced LRE allowances from those proposed in our Draft Determinations by £188m to reflect consultation feedback on our cost assessment methodology. This ex-ante allowance is calibrated using various parameters, including adjustments of some elements to match a net zero compliant Future Energy Scenario (FES), System Transformation, for LCT uptake. However, we have implemented a package of UMs that will enable networks to invest immediately and without administrative burden if LCT uptake exceeds this scenario.”

2 [Strategic Development Plans](#), SSEN

3 [Empowering Communities, Enabling Growth](#), SSEN Distribution, May 2025



Sector-Specific Methodology Consultation (SSMC) and the recommendations of the National Infrastructure Commission (NIC).⁴ Ofgem has outlined the importance of ensuring network plans align with long term strategies, and that these in turn result in continuity of delivery across price controls. This is the purpose and trajectory that this investment will deliver.

⁴ Letter from Ofgem to Regulation Managers of Electricity Distribution Licensees, Load Related Expenditure Re-opener windows, 12 August 2025; ED3 Sector Specific Methodology Consultation, Ofgem, 8 October 2025; [Electricity distribution networks: Creating capacity for the future](#), National Infrastructure Commission, 21 February 2025



2. THE CASE FOR ED3 MOBILISATION FUNDING

This section provides our justification for mobilisation funding to ensure continuity of LRE at the start of the ED3 period as well as the risks associated if mobilisation funding is not approved. We provide details of the specific categories of funding being requested and address particular aspects of this funding request that relate to the RIIO-ED2 to ED3 transition. The overarching justification for this request is consistent with the rationales outlined in the main body of the LRE re-opener application. We summarise these here.

- 2.1. **Supporting steady and progressive delivery ramp up:** Previous price control periods see a slow uptake in capex for the first few years while contracts are placed and resources mobilised and then spend tends to catch up later. This funding will allow us to mobilise resources now and ensure a smooth investment trajectory between RIIO-ED2 and ED3.
- 2.2. **Rapid Growth and Decarbonisation:** The significant increase in network capacity requirements driven by rapid growth in SEPD connections and accelerated decarbonisation in SHEPD areas form the foundation of our request. As highlighted in the document, capacity needs have exceeded the initial forecasts used in the RIIO-ED2 Business Plan due to increases in demand generation and decarbonisation measures. Adapting to this surge in demand is crucial to ensuring readiness for ED3, where these trends are expected to continue. Without mobilisation funding now, the momentum of growth and decarbonisation efforts ***risks disruption, potentially delaying critical customer connections and decarbonisation targets.***
- 2.3. **Supporting Economic Growth through Infrastructure Expansion:** Mobilisation funding is central to enhancing the resilience and capacity of SSEN's network, which underpins growth across critical industries, residential developments, and renewable energy hubs. By enabling timely connections for businesses and developers, we actively contribute to economic growth in regions where electrification plays a pivotal role in transforming local economies. For example, facilitating renewable connections ensures employment opportunities in emerging sectors while lowering energy costs. Reinforcing capacity for EV charging infrastructure not only meets rising demand but also unlocks regional potential to attract investment in low-carbon transport solutions. The wider economic benefits extend nationally, contributing to long-term productivity growth while minimising carbon emissions associated with inefficient energy usage. ***Mobilisation now avoids regional disparities in network readiness and sustains momentum for widespread electrification.***
- 2.4. **Support for Net Zero:** This funding aligns directly with our commitment to accelerating Net Zero initiatives and fostering economic growth across affected licenced areas. As ED3 marks another critical step toward achieving Net Zero by 2050, early preparation backed by enabling funds ensures continuity in progress. Additionally, preserving economic growth necessitates robust infrastructure investment now, to prevent bottlenecks and stagnation later. ***Mobilisation funding at this stage supports a proactive response to these overarching goals.***
- 2.5. **Supply Chain Management and Efficient Delivery:** The challenges posed by persistent market-driven cost increases are central to our case for mobilisation funding. Supply chain pressures have increased costs. These cost surges, exacerbated by global manufacturing demand, show no signs of easing and continue to impact forecast expenditure for current and future LRE schemes. If LRE activities are delayed



due to insufficient funding at the end of RIIO-ED2, then material shortages, escalated prices, and greater exposure to market uncertainties are likely to amplify delivery costs in ED3. ***Mobilisation funding mitigates these risks, enabling us to secure long lead-time materials at more competitive rates now, safeguarding against future cost surges.*** Adaptability in supply chain management is critical, especially under changing economic conditions. Mobilisation funding affords us greater flexibility to respond proactively, enabling advanced procurement strategies and stable long-term contracts that ultimately reduce financial risks for ED3 projects. Moreover, this funding supports the principles outlined in our contracting framework for major RIIO-ED2 projects.

- 2.6. **Securing Resources and Skills:** Global demand pressures on materials and the difficulty of sourcing skilled labour further strengthen the need for mobilisation funding. Mobilisation funding supports the ***proactive procurement of resources*** and the development of skilled workforce capacity for ED3 projects. It ensures the seamless continuity of activities, addressing these critical gaps before they delay or increase costs in future periods.
- 2.7. **Ensuring the Network is ready for Net Zero:** Investment in future-proofing initiatives is essential to meet steadily growing electricity demand and to upgrade network infrastructure in alignment with Net Zero imperatives. ED3 activities will not exist in a vacuum - they will build on RIIO-ED2 groundwork. ***Mobilisation funding ensures these efforts remain connected and well-coordinated, avoiding fragmented delivery*** during regulatory transitions. Lack of preparation now could hinder the push towards decarbonisation, leaving the network unprepared for foreseeable demand growth.
- 2.8. **Avoidance of Negative Outcomes:** Delayed customer connections, economic stagnation, and slow decarbonisation efforts reflect the risks posed by insufficient reinvestment during RIIO-ED2 to prepare for ED3. Without adequate funding there is a significant risk of delays to customer connections, economic growth, and decarbonisation efforts. These risks are magnified under prolonged funding gaps, disproportionately impacting both short-term objectives and long-term commitments. ***Mobilisation funding ensures continuity, minimising uncertainty, reinforcing confidence among stakeholders, and preventing unexpected setbacks.***
- 2.9. Bridging the RIIO-ED2 to ED3 transition is in line with Ofgem's evolved mandates. Early investment under mobilisation funding avoids reactive responses, ensuring deliberate and structured progression toward future network enhancements. This appendix provides further detailed rationale for mobilisation funding, demonstrating its criticality for ensuring continuity between RIIO-ED2 and ED3 activities. Subsequent sections will outline specific funding categories and their alignment with transition objectives.



3. ALIGNMENT WITH GUIDANCE AND PRECEDENTS

The case for securing mobilisation funding ahead of ED3 is strongly supported by Ofgem's regulatory positions and published guidance. Key alignments are summarised in this section.

Alignment with Ofgem Guidance

- 3.1. **Guidance on ED3 mobilisation through LRE Re-openers:** Ofgem has explicitly recognised the importance of aligning network plans with long-term strategies and ensuring seamless execution across price control periods. In their August 2025 cover letter on LRE Re-opener windows, Ofgem emphasised that DNO re-opener applications aligning with longer-term plans or forming part of an ED3 mobilisation strategy would be favourably considered. This provides direct justification for advancing future planning and funds now to maintain continuity. Additionally, Ofgem highlighted openness to supporting future-focused initiatives such as improving voltage management capabilities, particularly when linked to innovation-driven technologies like CLASS (Customer Load Active System Services).
- 3.2. **Avoiding "Stop-Start" in Investment and Price Controls:** Ofgem and the National Infrastructure Commission (NIC) review jointly acknowledge the criticality of continuity. The NIC expressly highlights the regulatory and practical pitfalls of a "stop-start" approach between price controls, recommending no-regret actions to sustain network reinforcement and system resilience beyond regulatory boundaries. The RESP methodology decision similarly instructs DNOs to align network development plans with the government's Regional Energy Strategic Plan (RESP) – a forward-looking approach that inherently requires consistency across regulatory periods. For such alignment to occur, mobilisation must reflect dynamic changes in demand and capability without being restricted by arbitrary price control boundaries.
- 3.3. **Guidance on Low-Regret Investments:** The concept of low-regret investments has been central to Ofgem's philosophy for accelerating network reinforcements. Both the NIC and Ofgem's ED3 framework stress that investments addressing inevitable growth demand, security, and decarbonisation must commence early. Ofgem's SSMC specifically outlines the value of mobilisation funding through the LRE re-openers in RIIO-ED2 being a key tool of to "support continuity between RIIO-ED2 and ED3 and to enable DNOs to undertake critical early works – such as design, surveys, procurement of long-lead items, and mobilisation of delivery partners – where these activities are essential to maintain delivery momentum and manage supply chain risk."⁵ Proactive reinforcement minimises long-term constraints, averts degradation risks, and reduces outage costs, which indirectly define Ofgem's broader consumer-value mandate.
- 3.4. **Support for Programmatic Planning and Economic Benefit:** The ED3 Framework Decision further underscores Ofgem's priority for long-term integrated network development plans. Such strategies depend on sustained investment beyond individual price controls to support demand growth, renewable expansion, and resilience-driven objectives like timely connections. By granting funding triggers coupled with clear measurable outcomes (e.g. MW capacity delivered, or economic benefits realised), Ofgem has outlined mechanisms that directly support forward-looking, sustained mobilisation proposals.

⁵ ED3 Sector Specific Methodology Consultation, Ofgem, 8 October 2025, p173.



- 3.5. SSEN's mobilisation funding request is directly aligned with Ofgem's core principles for regulated investment frameworks: delivering consumer value, ensuring regulatory continuity, and preparing for long-term low-carbon transitions. Ofgem's guidance on LRE re-openers explicitly incentivises programmes that enable seamless project mobilisation across RIIO-ED2 and ED3 periods, particularly those supporting future-ready infrastructure upgrades. By aligning reinforcements with Ofgem's low-regret investment philosophy, SSEN's proposed programme avoids stranded assets, maximises network utilisation, and ensures measurable benefits for consumers.

Relevant Precedents

- 3.6. As well as aligning with Ofgem's regulatory guidance, this request for mobilising funding ahead of ED3 is supported by several relevant precedents. These examples demonstrate both the rationale for securing early funding allowances and the successful implementation of similar mechanisms to deliver long-term network reinforcements. By examining frameworks like ASTI and the Advanced Procurement Mechanism in the Electricity Transmission sector, the Green Recovery Scheme, and ENWL's LRE Re-opener submission, there is clear evidence that Ofgem has historically endorsed proactive funding arrangements for projects that address urgent and impactful objectives such as decarbonisation, growth, and resilience. These precedents provide confidence that the proposed approach is both justified and achievable within the existing regulatory environment.
- 3.7. The precedents summarised in Table 2 collectively support our funding proposal by illustrating how flexible, proactive funding arrangements benefit high-impact infrastructure projects under rapid growth trajectories. The lessons learned from ASTI, GRS, and ENWL's submission demonstrate:
- Cross-window flexibility:** Funding mechanisms spanning price controls ensure the continuity of project delivery timelines without disruptions.
 - Low-regret investments:** Reinforcement activities tied to accelerating decarbonisation and economic growth minimise risk and optimise consumer value.
 - Forward-thinking cost modelling:** Addressing growth and supply chain complexities proactively and ensuring projects are scalable and cost effective ensures outdated cost modelling is not necessary to simulate competition caused by outdated costs modelling.

Table 2: Precedents for mobilisation funding

Precedent	Description	Relevance to SSEN's Funding Request
Accelerated Strategic Transmission Investment (ASTI) – RIIO-ET2	ASTI, introduced in 2021, enabled early pre-construction funding for 26 strategic transmission projects tied to the UK Government's offshore wind target of 50GW by 2030. Traditional processes were deemed too slow for large-scale reinforcements, prompting the creation of ASTI as a flexible framework. TOs leveraged portfolio-level flexibility, accessing pre-construction and early-construction allowances capped at 2.5% and 20% of forecasted costs, respectively. Robust consumer protections, including time-based	ASTI highlights the importance of advancing long-lead-time activities under flexible funding frameworks. SSEN's mobilisation proposal mirrors ASTI by enabling proactive activities to address the rapid demand growth trajectory, avoiding inefficiencies in supply chain and delivery. Like ASTI, SSEN combines portfolio-wide scalability with clear alignment to national energy priorities, ensuring readiness for ED3 reinforcements and delivering demonstrable benefits for consumers.



	delivery incentives, ensured value for money while minimising project delays from supply chain and planning bottlenecks.	
Advanced Procurement Mechanism (APM) – RIIO-ET2	The APM, introduced in 2025, enables TOs to secure supply chain capability earlier than previous arrangements within the price control through a use-it-or-lose-it allowance. This supports the delivery of decarbonisation and clean power targets by allowing TOs to procure essential equipment, materials, and services years in advance.	The APM highlights the challenges faced in the electricity transmission sector with procuring essential plant and materials for network investment in the current constrained supply market. We have highlighted in our submission that these challenges are being felt acutely by the electricity distribution sector, downstream from electricity transmission. It is essential that Ofgem also enables forward-looking procurement in electricity distribution.
Green Recovery Scheme (GRS) – RIIO-ED1 (Including Northern Powergrid's Wetherby Junction)	GRS, introduced in 2021, funded shovel-ready, low-regret reinforcement projects during the final phase of RIIO-ED1. Ofgem approved £301.3m across 205 projects, including EV charging, renewables, and heat decarbonisation infrastructure, with funding spanning RIIO-ED1 and RIIO-ED2. Projects were assessed based on utilisation, deliverability, and value for money. Northern Powergrid's Wetherby Junction exemplifies phased delivery under GRS, where project funding spanned periods to manage design maturity and uncertainties, granting £5mn upfront in RIIO-ED1 with allowances protected for later phases in RIIO-ED2. ⁶	GRS demonstrates Ofgem's willingness to enable cross-window funding, balancing flexibility and accountability for shovel-ready reinforcements. Similarly, SSEN's mobilisation programme spans RIIO-ED2 and ED3 to avoid stop-start disruptions and bottlenecks. Lessons from Wetherby Junction underscore how mobilisation funding addresses uncertainties while improving delivery efficiency for urgent, high-growth reinforcements, minimising risks of delays and stranded assets.
ENWL LRE Re-opener Submission – RIIO-ED2	In January, ENWL requested £315m under the LRE re-opener framework to address demand from Access SCR changes, transmission constraints, regional growth, and transport decarbonisation. ENWL highlighted the increasing connection scale for EV hubs and renewables under reduced connection charging policies, estimating reinforcement costs up to £752m. In subsequent engagements we have stressed to Ofgem that backward-looking cost assessment is not appropriate for assessing these investments and strongly propose that they do not take the same approach to our submission. ENWL's submission reinforced the role of scalable reinforcements in achieving decarbonisation targets and regional economic development.	ENWL's submission reflects challenges networks face when demand grows faster than forecast. SSEN mitigates similar risks by proposing flexible funding mechanisms to avoid underfunding critical reinforcements for ED3. SSEN's approach also ensures efficient procurement and scalability, protecting consumers while aligning reinforcements with regional economic needs and national decarbonisation ambitions. This would delivery inefficiencies caused by outdated cost modelling.

⁶ [DNO Green Recovery Scheme, Decision Document](#)



4. MOBILISATION FUNDING REQUEST

This section outlines the specific categories of funding that we are requesting as part of the mobilisation efforts for ED3. These categories are all directly related to LRE, critical to ensuring continuity of network enhancements into the next price control period. Each type of cost is treated separately within this section before being combined into an overall funding request addressing mobilisation needs for ED3.

Category 1: Defined Schemes

- 4.1. The first category of funding focuses on explicitly identified schemes corresponding to sites in the CV1 and CV3 Regulatory Instructions and Guidance (RIGs) tables. These sites form a pre-defined list of **49 schemes**, each with a unique identifier, and are supported by Engineering Justification Papers (EJPs). These EJPs provide technical and financial evidence supporting the necessity and feasibility of each scheme.

Table 3: Defined schemes requiring mobilisation funding

Project No.	Project Name	SEPD/SHEPD
PH002742	Woodhill GSP, Queens Lane North	SHEPD
PH003788	Fort William 33kV Circuit Reinforcement	SHEPD
PH003799	Fort William 33kV Circuit Reinforcement	SHEPD
PH004206	Broadford_Nostie Bridge_33kVCCTS_11kVCCTS	SHEPD
PH004213	Oldmeldrum 33/11kV Transformer	SHEPD
PH004214	Kintore 301 Circuit Work	SHEPD
PH004215	Banchory Primary Transformer	SHEPD
PH004216	Redmoss_Newtonhill_SS_33kV	SHEPD
PH004218	South Shetland Strategy	SHEPD
PH004226	Calvine Primary	SHEPD
PH004301	Milton of Graigie GSP	SHEPD
PH004307	Brora_Dornoch	SHEPD
PH004308	Bridge of Dun GSP, Montrose North and Montrose 33 kV ring	SHEPD
PH004315	Dunoon GSP 33kV Circuit Reinforcement	SHEPD
PH004316	Raigmore Inverness GSP	SHEPD
PH004321	Lairg GSP	SHEPD
PH004323	Grudie Bridge_Achiltibuie_33kVCCT	SHEPD
PH004344	Gisla 33kV Transformer	SHEPD
PH004352	Beaully GSP	SHEPD



PH004409	Nairn GSP	SHEPD
PH004435	Hatstow 33kV Substation	SHEPD
PH004220	Tarland Interconnection Circuit	SHEPD
PH004451	Kinloch 33/11kV Network Taynuilt GSP (P)	SHEPD
PH004472	P2 Compliance Lairg Primary (P)	SHEPD
PS007633	Egham	SEPD
PS007688	Fulscot 33kv circuits reinforcement	SEPD
PS007691	Chalvey 132/33kV Bulk Supply Point	SEPD
PS007693	Oxford (Osney) 132 kV circuits reinforcement	SEPD
PS007701	Beaconsfield	SEPD
PS007721	Hunston BSP - Birdham & Selsey Primaries	SEPD
PS008836	Staines BSP	SEPD
PS008848	Copley Dene Primary Substation Reinforcement 66/11 kV	SEPD
PS008852	Bridge Road Primary Substation Reinforcement 66/11 kV	SEPD
PS008857	Bath Road East Primary Substation Strategic Investment	SEPD
PS009007	Fawley North BSP 132kV reinforcement	SEPD
PS009010	Netley Common Thermal Constraints and ringed networks	SEPD
PS009012	Alderton Primary and 33kV circuits reinforcement	SEPD
PS009033	Redhill BSP and 132kV Network Reinforcements	SEPD
PS009042	Springfield Road PSS Strategic Investment	SEPD
PS009058	Emsworth Primary Substation	SEPD
PS009080	Lovedean GSP 132kV Strategy	SEPD
PS009091	Portsmouth BSP	SEPD
PS009166	Fort Widley local area supply and strategy	SEPD
PS009189	Fareham Bulk Supply Point Substations	SEPD
PS009190	Fareham Bulk Supply Point Substations	SEPD
PS009191	Fareham Bulk Supply Point Substations	SEPD
PS009207	South Bersted PSS	SEPD
PS009210	Fareham Bulk Supply Point and 132/33kV Network	SEPD
PS009217	Cricklade 33kV Network Reinforcement	SEPD

4.2. In preparation for ED3, this appendix requests mobilisation costs during RIIO-ED2 for these schemes, ahead of the main build that will occur in ED3. Mobilisation funding ensures these projects begin early development, procurement, and preparatory activities required for on-time delivery. Table 4 summarises the requested allowance to allow us to:



- i. Undertake the necessary feasibility studies, secure consents and – where required – purchase land.
- ii. Make initial payments for plant to secure the assets when required.
- iii. In a small number of instances, to begin construction on schemes that were originally marked for ED3 but are being brought forward ensure efficient coordination with other activities.

Table 4: Summary of defined scheme funding request

Category		RIIO-ED2			RIIO-ED2 TOTAL
		FY 25/26	FY 26/27	FY 27/28	
1					
1					
1					
Cat 1 total					

- 4.3. Progressing against these defined schemes as part of ED3 mobilisation will mitigate against the risk of delays to decarbonisation efforts, customers connections and economic growth, avoiding fragmented delivery. Without this investment we will be unable to progress with advanced procurement strategies and stable long-term contracts that would otherwise reduce exposure to market uncertainties. ***Mobilisation funding mitigates these risks, enabling us to secure long lead-time materials at more competitive rates now, safeguarding against future cost surges.***

Category 2: Forecast Pipeline

- 4.4. The second category pertains to the forecast pipeline of schemes that mirror the established features of Category 1 but have not yet been specifically identified. These are projected 132kV and EHV load related schemes to resolve constraints identified in our Strategic Development Plans, where the EJP has not yet been produced, or related to a connection offer not yet accepted but is expected to require feasibility and consents and plant ordering before ED3. We have undertaken analysis based on a 'Low', 'Medium' and 'High' projected growth rate and have used the medium growth rate for our funding request. The medium rate has assumed an uplift in deliverables over our RIIO-ED2 baseline and LRE Re-opener submission, to facilitate increased load growth through DFES projections within ED3. The breakdown of this request is summarised in Table 5.

Table 5: Summary of inferred scheme funding request

Category		RIIO-ED2			RIIO-ED2 TOTAL
		FY 25/26	FY 26/27	FY 27/28	
2					
2					
Cat 2 total					

- 4.5. Funding for these schemes seeks to mitigate the uncertainty surrounding exact site identification by providing early-stage flexibility for project initiation. It ensures that, as demand evolves, SSEN's network remains equipped to meet new connections and infrastructure needs without delays or service disruptions.



- 4.6. Without mobilisation funding now, the momentum of growth and decarbonisation efforts **risks disruption, potentially delaying critical customer connections and decarbonisation targets**.

Category 3: Resource Recruitment and Training

- 4.7. Delivering the LRE plan during ED3 necessitates preparing our workforce to handle the expected demands effectively. Internal resource preparedness forms the third category of requested funding. Current workforce trends show widespread demand for clean energy skills across sectors like low-carbon energy and transportation electrification. SSEN intends to prioritise recruitment and training during RIIO-ED2 to secure a highly skilled workforce able to meet the challenges of ED3. Beginning these efforts early will allow SSEN to address challenges such as competition for clean energy skills.
- 4.8. The Department for Energy Security and Net Zero (DESNZ) has acknowledged the challenge and urgency associated with the recruitment of workers needed for the 2030 clean energy mission, most recently through the publication of their Clean Energy Jobs Plan.⁷ This national plan supports the actions we are taking to train up additional workforce, creating new opportunities as required for the ramp up of LRE delivery in ED3.
- 4.9. Transitioning to the next price control period will require SSEN to move from its current workforce model – 60% contractor and 40% in-house – to 60% in-house and 40% contractor for delivery of infrastructure and large-scale connections in ED3. Starting recruitment efforts now during RIIO-ED2 ensures we have adequate resources to meet growing demand, reskill workers for roles in emerging clean energy sectors, and build organisational capability ahead of ED3 ramp-up. Internalising a larger portion of the workforce also increases efficiency by leveraging industrial staff costs, existing plant, and operational efficiency. Early mobilisation allows us to build a robust foundation, **avoiding future barriers such as workforce shortages, rising training costs, and disconnection between workforce preparedness and project initiation**.
- 4.10. Our modelling and analysis strongly indicate the need for increased internal staffing during ED3. Specifically, this will include recruiting and training individuals with specialised skills across project delivery, engineering, and operational management. To ensure these resources are fully operational at the start of ED3, recruitment and training must commence during the RIIO-ED2 period. Funding for this preparatory phase includes advertising, onboarding, and structured training programmes tailored to LRE delivery needs. We have targeted the following roles including jointers, fitters, lines people, tower lines people, Senior Authorised Person engineers, and protection engineers. These are all critical roles to load related delivery. This approach ensures no lag between the start of ED3 and the capability to execute our plans effectively.
- 4.11. ***This request for mobilisation funding will ensure resource preparedness over and above typical workforce renewal already funded within RIIO-ED2. It applies to additional workforce, without which we will not be able to deliver at the scale required once ED3 commences.***
- 4.12. [REDACTED]

⁷ [Clean energy jobs plan](#), DESNZ, 19 October 2025.



4.13. We are only requesting funding for the portion of resources that we will be making ready for the start of ED3, and specific to the LRE investment roles. We believe that this represents a conservative and realistic approach, with the resulting funding request summarised in Table 6.

Table 6: Summary of resource recruitment and training funding request

		RIIO-ED2			RIIO-ED2 TOTAL
Category		FY 25/26	FY 26/27	FY 27/28	
3					
3					
Cat 3 Total					

Category 4: Voltage Management

4.14. Voltage fluctuation is a significant challenge to both network performance and customer experience. These fluctuations impact reliability and capacity, areas governed by the Electricity Safety, Quality, and Continuity Regulations (ESQCR). Strategic investment in smarter infrastructure is necessary to strengthen monitoring and control capabilities, ensuring compliance and adaptability to future demand requirements.

4.15. Our preferred approach, outlined in the *EJP/SSND/LOVEDEAN/VM/001* EJP is expected to deliver the following benefits:

- i. Addressing current and future voltage issues arising from increased embedded generation and demand, prioritised by anticipated trends during ED3.
- ii. Improving system flexibility through potential National Electricity System Operator (NESO) Demand Reduction measures, enhancing voltage control effectiveness.
- iii. Aligning infrastructure development with the transition to Net Zero while maintaining strict adherence to regulatory standards.

4.16. The investment will target Lovedean GSP in SEPD and primary substations in SHEPD, collectively serving over 384,000 customers.

4.17. The preferred option balances cost, deliverability, and benefits effectively. It involves strategically deploying capabilities at select sites, achieving maximum impact without compromising scalability into ED3. The solution also leverages learnings from RIIO-ED2 installations to validate its approach and



readiness for wider rollout. The resulting allowance request is summarised in Table 7. This does not include [REDACTED] which we expect to incur in FY 28/29, as part of continued delivery in year 1 of ED3.

Table 7: Summary of Voltage Management funding request

		RIIO-ED2			RIIO-ED2 TOTAL
Category		FY 25/26	FY 26/27	FY 27/28	
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cat 4 Total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

4.18. Securing mobilisation funding ensures delivery of critical infrastructure upgrades that will directly benefit customers and communities across SSEN's licenced areas. By enabling timely reinforcement projects, SSEN strengthens connections for renewable energy developments, electrified transport hubs, and low-carbon heating systems. These advancements reduce carbon emissions regionally and nationally while fostering consumer savings through efficient electricity usage. Furthermore, SSEN's proactive programme enhances energy security during the Net Zero transition, attracting new investment opportunities while fulfilling government objectives for decarbonisation and growth. Mobilisation activities bridge the gap between today's system demands and tomorrow's low-carbon future, delivering tangible societal benefits alongside operational excellence.

Overview of Funding Request

4.19. Each of these funding categories contributes to the overarching goal of ensuring SSEN's network is prepared to meet the escalating demands and challenges anticipated in the ED3 price control period. By seeking mobilisation funding during RIIO-ED2, SSEN ensures continuity of operations, preparedness in resource and infrastructure availability, and alignment with broader energy system evolution.

Table 8: Detailed summary of funding request

		RIIO-ED2			RIIO-ED2 TOTAL
Category		FY 25/26	FY 26/27	FY 27/28	
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cat 1 total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cat 2 total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cat 3 Total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cat 4 Total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total		[REDACTED]	[REDACTED]	[REDACTED]	£108,261,226



5. IMPLICATIONS OF NOT SECURING MOBILISATION FUNDING

This funding is important to maintain the required pipeline of LRE. Failing to maintain this programme of work creates inefficiencies for our own planning and operation, as well as adversely affecting our connecting customers and, by extension, wider society. We explore these adverse implications in more detail below.

Inefficiencies Associated with "Stop-Start" Progress

- 5.1. Failing to secure mobilisation funding ahead of ED3 introduces significant inefficiencies stemming from a "stop-start" approach to network reinforcement and expansion due to lack of certainty of funding availability. These inefficiencies manifest in several ways:
- i. **Higher Supply Chain Costs:** Continuity of investment is crucial to avoid interruptions and inefficiencies within procurement and delivery activities. A pause in funding forces supply chains to demobilise temporarily, resulting in renegotiation costs and exposure to inflationary pressures upon reactivation. This can lead to higher equipment and services costs, particularly as lingering supply chain disruptions and increasing global demand raise procurement challenges.
 - ii. **Uneven Cost Profiles Passed to DUoS Customers:** A discontinuity between RII0-ED2 and ED3 funding results in compressed investment cycles, intensifying peaks in spending. This creates an uneven cost profile being passed to DUoS customers, rather than a smoother, sustained expenditure over time. Consumers ultimately bear the brunt of inefficient cost allocation, undermining Ofgem's principle of delivering long-term customer value.
 - iii. **Workforce Demobilisation and Re-skilling Costs:** Stopping progress between price controls risks demobilising planning and delivery teams, particularly construction workers, project managers, and technical staff. Across periods of demobilisation, essential workers may need costly re-skilling or replacement, draining resources and adding to inflationary pressures. Continuity of funding supports better workforce retention, expertise, and operational readiness, maintaining efficiency across long-term delivery programmes.
- 5.2. The stop-start effect increases overall reinforcement costs, drives inefficiency in planning and delivery, and diminishes the cost-effectiveness of customer-funded investments.

Delays to New Connections and Wider Societal Impact

- 5.3. Another critical implication of failing to secure this funding is the delay to new connections and the associated financial and societal costs. Delayed reinforcements disrupt timelines for connecting renewable energy projects, electrified local demand, and other strategic developments, leading to cascading impacts:
- i. **Addressing the System Impacts of Delayed Reinforcements:** Delaying mobilisation funding risks creating significant pressure on network resilience just when user demand is rapidly increasing. Unfunded reinforcements could exacerbate system constraints, leading to interruptions



in connections for renewable generation, EV hubs, and electrified heating systems. This would undermine decarbonisation targets, as delays directly impact the ability to transition away from fossil fuels across energy generation, transport, and industry. Moreover, constrained systems may lead to increased operational inefficiencies, such as higher electricity prices for consumers, prolonged outages, and disruptions for critical service providers. Early funding avoids these consequences, ensuring SSEN's network can adapt to accelerating demand and continue supporting progress toward Net Zero targets without compromising reliability or economic efficiency.

- ii. **Lost Revenue for Key Projects:** Projects dependent on timely connections, particularly renewable generation and electrified heat/transport initiatives, face significant delays when network capacity is constrained. This reduces or eliminates expected revenue streams for developers and operators, negatively impacting profitability and investment confidence.
- iii. **Hampering Economic Development:** Connection delays harm regional economic growth. Businesses relying on connections for energy-intensive processes or innovative developments are forced to halt or scale down plans. For example, delays diminish competitiveness in emerging sectors like EV infrastructure, renewable manufacturing, energy technologies, freeport development, and creative industries – all key growth engines for local and national economies.
- iv. **Reducing Decarbonisation Momentum:** Delays to reinforcement hinder the rollout of distributed low-carbon technologies, such as renewables, EV charging infrastructure, and heat pumps. This impedes progress towards the UK's Net Zero goals and limits electrification across sectors like transport and industry. Wider societal benefits associated with decarbonisation – such as reduced carbon emissions and improved energy access – are postponed, driving up long-term environmental and social costs.

5.4. Fundamentally, the societal and economic opportunity costs of delayed connections far outweigh the short-term savings from withholding funding. Securing mobilisation funding now avoids major disruptions to vital objectives including economic growth, decarbonisation, and customer satisfaction.

Conclusions

5.5. Enabling this investment is not only low regret, given the inevitable rapid growth trajectory of electricity demand, but failing to act now presents the real source of regret. Without mobilisation funding, supply chain costs will rise as global demand increases, introducing inefficiencies into SSEN's procurement and delivery plans, and creating avoidable complications in maintaining momentum across reinforcement projects. The resulting delays would not only affect SSEN directly but would also impact third-party developers relying on timely connections for renewable generation and electrified infrastructure. These setbacks would carry significant adverse implications for the local and national economy – stalling opportunities for investment, job creation, and economic productivity. Moreover, delays to these projects actively jeopardise progress toward achieving critical decarbonisation milestones, such as the 2030 and 2050 Net Zero targets. Acting now ensures continuity, avoids escalating costs, and preserves the alignment of SSEN's network with the economic and environmental ambitions of the UK.



6. ASSURANCE OVER FUNDING AND DELIVERABILITY

Robustness of Funding Requirement Estimates

SSEN is committed to delivering the proposed programme in a way that safeguards consumer value, avoids risks of double-counting, and maintains flexibility to ensure alignment with demand forecasts.

- 6.1. **Realistic, Verified Costs:** SSEN has undertaken thorough competitive tendering processes to confirm that project costs align with current market conditions. By leveraging market-based benchmarking and supplier scrutiny, we provide assurance that the proposed funding levels are both appropriate and necessary to deliver the scope of works without inflating costs for consumers.
- 6.2. **Avoiding Double Counting:** The clear allocation of programme obligations across RIIO-ED2 and ED3, alongside our rigorous design activity schedules and procurement protocols, ensures there is no risk of overlap or double-counting. Each Delivery Group maintains distinct workstreams within their packages, avoiding redundancy and preserving transparency. Additionally, phased mobilisation strategies allow resources to be utilised strategically, avoiding idle periods or duplicated efforts between regulatory windows.
- 6.3. Overall, SSEN's approach ensures funds are efficiently spent within RIIO-ED2 while setting up ED3 mobilisation in a way that minimises cost risks throughout the investment cycle. By presenting realistic costs and a flexible structure aligned with regulator and customer expectations, SSEN demonstrates its ability to deliver critical reinforcements with no risk of inefficiency or double counting.

Deliverability Strategy

- 6.4. SSEN has developed an overarching deliverability framework to ensure the efficient execution of the proposed mobilisation programme ahead of ED3. This plan balances design readiness, resource deployment, and streamlined processes to seamlessly transition from RIIO-ED2 to ED3 while mitigating risks and ensuring timely delivery.
 - i. **Building a Pipeline of Shovel-Ready Projects:** The deliverability strategy centres on creating a pipeline of projects that are fully designed and ready for construction to begin early in ED3. By focusing on completing feasibility and detailed design work before the end of RIIO-ED2, the programme ensures a constant ramp up of construction activity in late RIIO-ED2 and early ED3. This proactive approach avoids disruptive gaps in activity and accelerates delivery timelines.
 - ii. **Streamlining Pre-Construction and Early Enabling Works:** Processes have been optimised to reduce inefficiencies and accelerate early-site preparation. For example, combining feasibility and detailed development stages removes unnecessary stage gates, consolidating workflows while providing earlier certainty in costs and delivery plans. Additionally, pre-construction enabling works, such as duct installations, are being brought forward to reduce risk and avoid delays during the main construction phases.



- iii. **Scaling Resources for Accelerated Delivery:** The framework includes ramping up resources across key roles such as pre-construction planning, and site supervision, ensuring an adequately skilled and equipped workforce to handle accelerated workloads and timelines. This capacity-building in RIIO-ED2 ensures readiness for seamless large-scale mobilisation in ED3.
 - iv. **Maximising Flexibility to Mitigate Risks:** The flexibility to redeploy resources or substitute projects into the pipeline ensures resilience against unforeseen delays or setbacks. Early design completion also facilitates higher-quality planning, impacting construction efficiency and outage management strategies for the entirety of the programme.
 - v. **Addressing Key Blockers Like Land Access and Consents:** Recognising the potential delays caused by land access and consents, the deliverability framework is built around proactive early engagement and coordination to minimise disruptions. Prioritising streamlined processes for these activities allows larger projects to proceed without undue obstacles, safeguarding timelines.
 - vi. **Proactive Supply Chain Resilience:** Global supply chain disruptions and rising costs for critical materials underscore the necessity of proactive mobilisation funding. SSEN's approach prioritises early procurement of long-lead-time equipment, such as transformers and switchgear, to reduce exposure to supply delays and price escalation. By leveraging Advanced Procurement Mechanisms and stable contracts, SSEN de-risks construction timelines while ensuring cost certainty for key programme components. Additionally, SSEN's partnerships with skilled contractors and suppliers foster agile coordination during periods of uncertainty, ensuring efficient delivery against planned targets. Mobilisation funding now protects against future cost inflation and safeguards supply chain readiness for ED3 growth, maintaining operational continuity and cost-efficiency that benefit consumers.
 - vii. **Enhancing Deliverability Across Workstreams:** SSEN's deliverability framework has been designed to maintain momentum across pre-construction, resource preparation, and project initiation. Central to this framework is the elimination of unnecessary stage gates between feasibility and detailed design, consolidating workflows to accelerate construction readiness. Furthermore, SSEN's early engagement strategies ensure timely land access and consents, minimising bottlenecks that historically delay large-scale infrastructure projects. Advanced workforce planning allows SSEN to ramp up capacity in key operational roles ahead of ED3, avoiding reskilling costs and maintaining operational efficiency. By mitigating risks through robust planning and coordination, SSEN ensures that funding allowances will translate to tangible network enhancements without disruption.
- 6.5. By focusing on design readiness, workforce preparedness, streamlined processes, and flexibility to address risks, SSEN's deliverability framework provides confidence that the proposed mobilisation programme will proceed efficiently, avoiding unnecessary gaps or delays in construction momentum.



7. CONCLUSIONS

We are confident in our funding request and the rationale behind it. We share Ofgem’s view that the RIIO-ED2 to ED3 boundary should not act as a barrier to delivering the necessary investments for our network and customers. Delaying mobilisation risks falling short of key 2030 and 2050 electrification and decarbonisation targets, while creating inefficiencies that increase long-term costs for our customers.

- 7.1. Our deliverability framework ensures readiness to execute this programme effectively, with clear alignment towards regulatory expectations and customer value protection. Given the projected growth and pressures on the network, the investments we propose are proportionate in scale – relative to both the full construction costs and the core LRE re-opener request – and are demonstrably low regret. By acting now, we avoid significant risks, safeguard progress on ambitious policy goals, and ensure value for money for consumers.
- 7.2. Our proposals are fully aligned with Ofgem’s guidance on mobilisation funding via the RIIO-ED2 load uncertainty mechanisms, the ED3 Sector Specific Methodology Consultation and the recommendations of the National Infrastructure Commission. A decision to approve this application will facilitate efficient continuity of delivery across price controls, enable a ramp-up of network development activity to ensure the needs of customers are met cost-effectively in the longer term, and support the economy by investing in the electricity infrastructure that is necessary to underpin economic growth.



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