



# Future of Gas Steering Group Webinar

Friday 19<sup>th</sup> July 2024

# Presenters and Housekeeping



Matt Magill



Vicki Mustard



Sakhi Choudry

- Duration
- Speakers
  - Matt Magill, Acting Director of Markets
  - Vicki Mustard, Gas & Whole Energy Market Development Manager
  - Sakhi Choudry, Gas Market Strategy Manager
- Webinar Set-up
- Questions / Comments
- Recording

# Agenda and Timings



Welcome and Housekeeping	10.00 – 10.10	Vicki Mustard
NESO Introduction	10.10 – 10.30	Matt Magill
What we have done so far and what you would like to hear more about	10.30 – 10.45	Sakhi Choudry
Potential focus areas for Future GMAP Projects	10.45 – 11.00	Sakhi Choudry
New proposed structure	11.00 – 11.30	Vicki Mustard
Gas Market team updates	11.30 – 11.40	Sakhi Choudry
Discussion	11.40 – 12.00	Vicki Mustard
Q&A and Next Steps	12.00 – 12.30	Vicki Mustard

# NESO Introduction



## Establishment of the National Energy System Operator

As part of the plan to decarbonise Great Britain, the current Electricity System Operator (ESO) will transition to the National Energy System Operator (NESO) in 2024.











The enhancement of the FES 2024 framework forms part of this wider industry overhaul, with our modelling and analysis used as a key input in various strategic network planning processes, outlined over the following three pages.

### The National Energy System Operator's roles

NESO will have a primary duty to act in the manner it considers best to promote net zero, energy security and efficiency and economy. The roles and responsibilities of the new organisation will include:

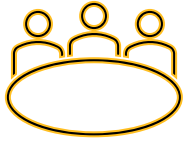
- Whole energy network planning – Strategic Spatial Energy Plan (SSEP) and Regional Energy Strategic Planner (RESP)
- Whole energy system coordination role for improving security and resilience of gas and electricity systems
- Onshore electricity network competition
- Whole energy market development
- Provision of independent advice to Ofgem and UK Government.

Crucial to its responsibilities, NESO will consider the effect of its activities on customers and local communities, competition in the energy sector, the whole energy system and on the facilitation of innovation.

	Day 1	Full ambition
<b>STRATEGIC PLANNING</b>	 Plan gas and electricity networks	 Provide whole system view of the energy sector
<b>MARKET DEVELOPMENT</b>	 Support Department for Energy Security and Net Zero (DESNZ) with market development across gas and electricity	 Advise on whole energy market strategy
<b>RESILIENCE</b>	 Identify gaps, risks, interactions and opportunities within a whole system	 Coordinate emergency response
<b>SECURITY OF SUPPLY</b>	 Enable electricity security of supply and advise on gas security of supply	 Enable security of supply across Great Britain's whole energy system
<b>NET ZERO ENERGY INSIGHTS</b>	 Deliver energy insights and advice to Government	 Advisory grows into new vectors



## What we have done so far...



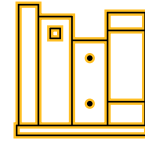
Handover meetings with National Gas Transmission



Engagement with FoG members



Planning for new FoG



Scoping for GMaP projects



Attending workgroups and Industry engagement



NESO future plans

Whole system viewpoint

Hydrogen

Commercial regimes

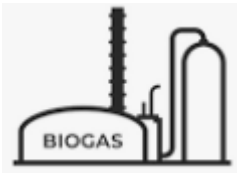
Decarbonisation

The 5 areas that you would like to hear more about

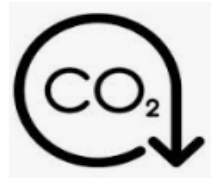
# Potential focus areas for Future GMAP Projects



Hydrogen



Biomethane



CCUS



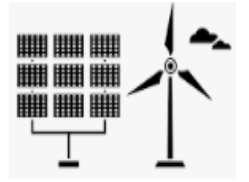
Decommissioning /  
Repurposing



Hybrid Energy  
Technology



Demand Side  
Response



\*Impact of Clean  
Power 2030

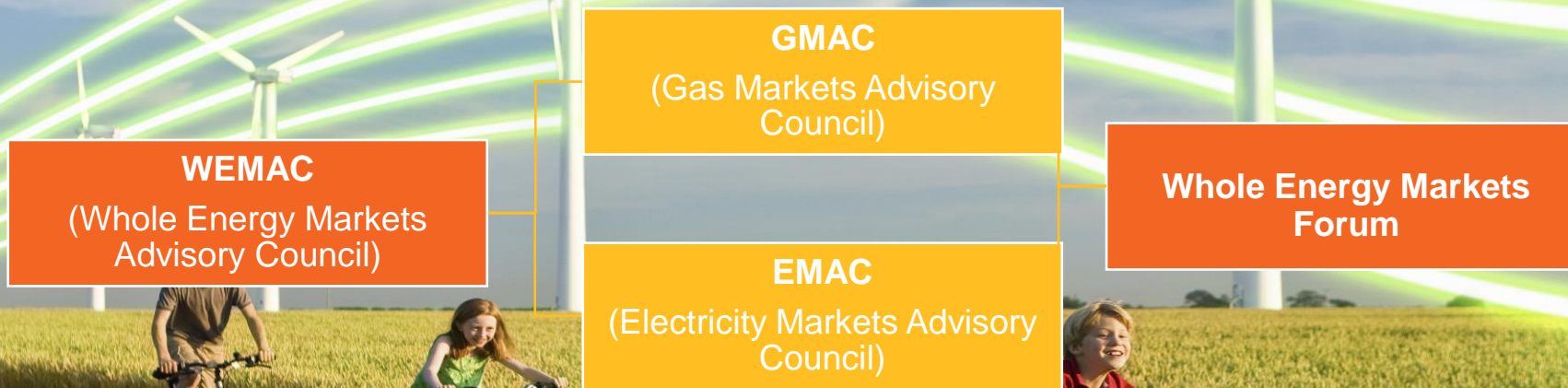


	Gas Market Advisory Council (GMAC)	Whole Energy Markets Advisory Council (WEMAC)	Whole Energy Markets Forum
<b>Cadence</b>	Quarterly		
<b>Representation</b>	Gas market wide representation	Cross industry representation	N/A
	All energy market participants, Industry Bodies, Academia, International Expertise, Consultancies, Think Tanks, Independent experts, Research & Development / innovation, physical connections, networks, Consumer Advocate Groups		
<b>Chair</b>	Independent chair (not NESO)		N/A
<b>Potential purpose</b>	Embed stakeholder perspectives and international best practice in NESO's market design thinking. Provide input on our priorities and plans across vectors to ensure alignment. Provide members with an opportunity to collaborate and share relevant information across vectors.		
			Promote collaboration across the vectors working to a common goal to decarbonise the energy sector.
<b>Time horizon</b>	1-25 years (2050)	2-25 years (2050)	2-25 years (2050)
<b>Decision making power</b>	The group will have no formal decision making power, but members will be able to take forward proposals to bodies with formal decision-making power as appropriate.		N/A
	Members encouraged to present information on strategic gas market topics that are of relevance to the group.	Members encouraged to present information on strategic whole energy market topics that are of relevance to the group.	
<b>Topics</b>	Consider whole market / cross vector topics (e.g. Regional Energy Strategic Planning (RESP), Strategic Spatial Energy Plan (SSEP), Centralised Strategic Network Planning (CNSP), pricing, market mechanisms / frameworks, fundamentals etc.) and the impacts on gas and whole energy markets.		
<b>Escalation of risks</b>	Identify risks / opportunities across vectors to discuss / escalate to the Whole Energy Market Advisory Council.	Identify risks / opportunities across vectors.	N/A
<b>Potential outputs</b>	<ul style="list-style-type: none"> <li>Discussion topic summaries.</li> <li>Identified potential GMAP projects for industry and NESO (from insights from the Whole Energy Markets Forum) to progress.</li> </ul>	<ul style="list-style-type: none"> <li>Recommendations for Government policy / market frameworks.</li> <li>Discussion topic summaries.</li> <li>Identified potential projects for industry and NESO (via GMAC and EMAC) to progress through the GMAP and WEMAP processes.</li> </ul>	<ul style="list-style-type: none"> <li>Recommendations / considerations for Government policy / market frameworks.</li> <li>Discussion topic summaries.</li> <li>Identified key insights / themes for further analysis.</li> </ul>

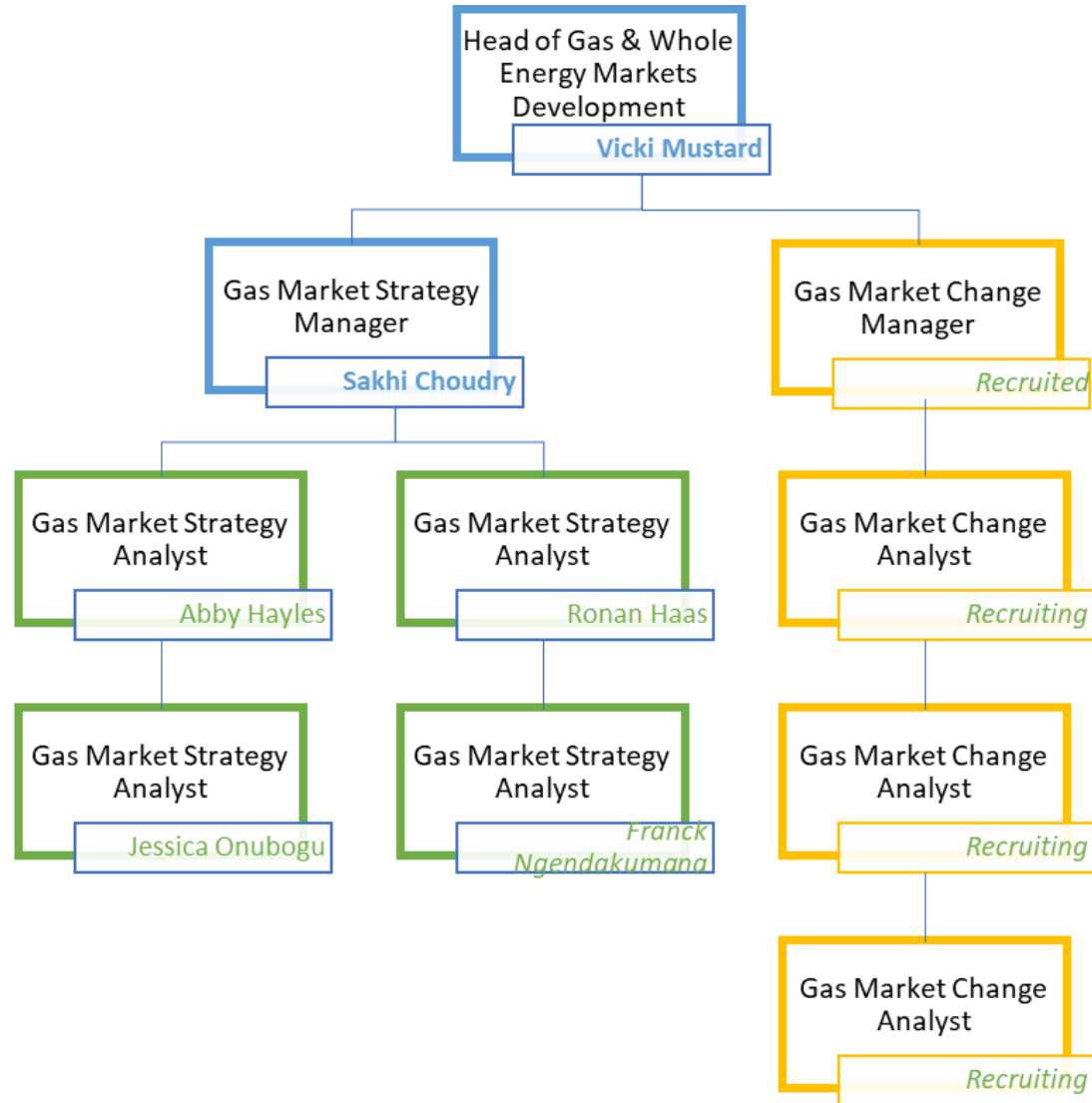
# New proposed structure



# How does it all fit together?



# The Gas Market Strategy & Gas Market Change Team



# Discussion

# Q&A

# Next Steps



- Continued engagement over the coming months
- Next Whole Energy Markets Forum - Autumn 2024
- Further development and establishment of the GMAC (Autumn '24)