

Public

RIIO-2 Business Plan 3 Draft

Our delivery focus for
April 2025–March 2026

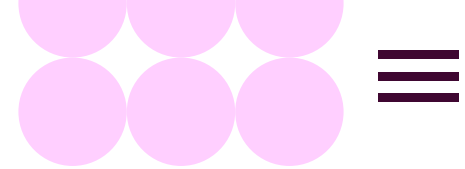
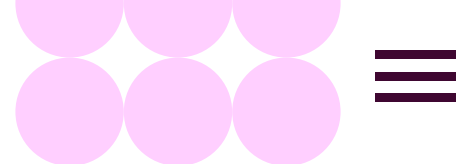


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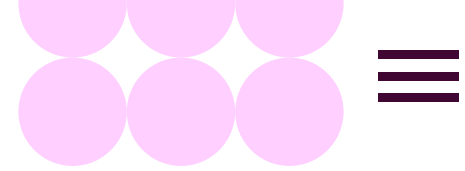
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Consultation on Our Draft Business Plan

We are consulting on our draft business plan. This is the third and final regulatory business plan within the RIIO-2 framework, covering our activities for a one-year period from April 2025 to March 2026.

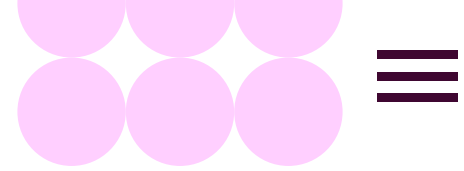
RIIO stands for Revenue = Incentives + Innovation + Outputs. RIIO-2 covers our plans for a five-year period from 2021 to 2026 and is the second price control under Ofgem's performance model. It defines how much we can earn for the projects we deliver and services we provide.

We invite feedback on this draft plan from energy industry customers, anyone interested in NESO, or those likely to be affected by our business plan.

This consultation is open until **10 January 2025**. Responses should be sent to box.neso.riio2@nationalenergyso.com and clearly marked if they are considered confidential.

We will be holding a series of webinars throughout December to discuss our business plan. You can sign up for our webinars by visiting the following pages:

- [Draft BP3 Consultation Webinar Series Launch](#)
- [Clean Power 30 & Whole Strategic Energy Plans](#)
- [Operating the Electricity System & Secure and Resilient Energy Systems](#)
- [Connections Reform & Fit-for-Purpose Markets](#)
- [Enhanced Sector Digitalisation and Data Sharing & Separated NESO Systems, Processes and Services](#)



Introduction

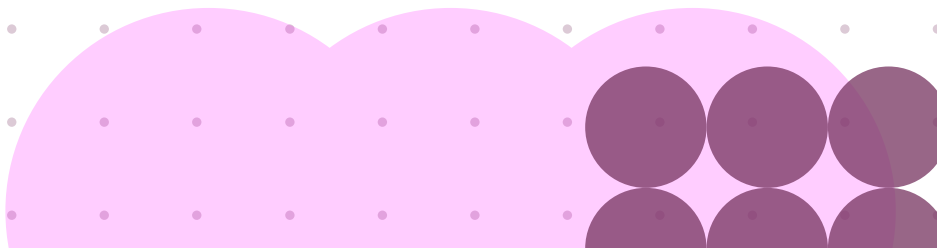
Our draft *RIIO-2 Business Plan 3* for the period April 2025 to March 2026 (BP3) marks a significant milestone as it is our first business plan as NESO and the final plan for the RIIO-2 period.

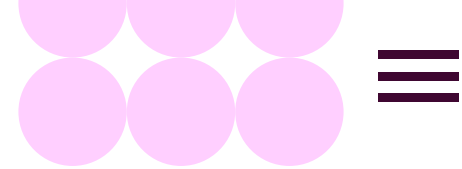
The energy system is the foundation of a thriving modern society in Great Britain. As the system continues to undergo rapid and fundamental transition, our focus remains on promoting net zero, access to affordable energy and ensuring security of supply for the nation.

Our business plan identifies eight Performance Objectives that ensure we deliver value for consumers and fulfil our purpose and vision. These objectives serve as guiding principles for our expanded roles and responsibilities as we move towards clean power by 2030 and aim for net zero emissions by 2050.

The challenges ahead cannot be underestimated and include addressing the connections queue, reforming energy markets and embracing a digital future. However, with meaningful collaboration, we are confident that we can achieve our shared goals.

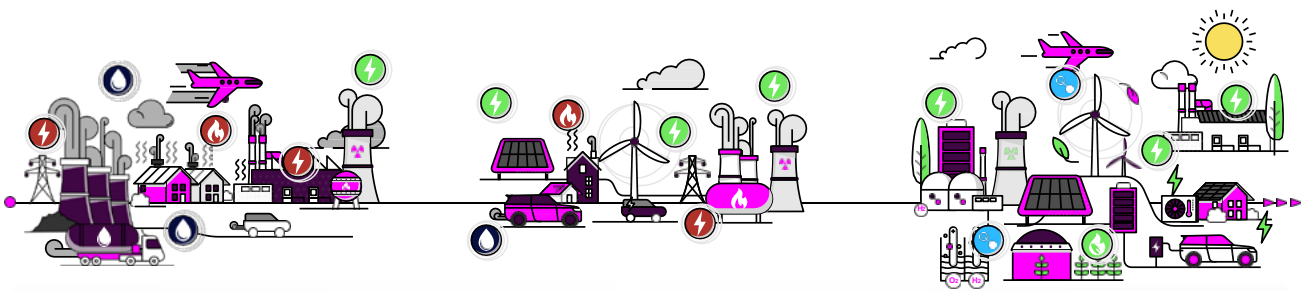
We look forward to forging new relationships and partnerships as NESO. Together, we can work towards a sustainable, affordable and resilient energy system that benefits both consumers and our customers.





A Changing Energy Landscape

The energy system is critical to almost all aspects of our daily lives and is essential to decarbonising the economy. How we use, store and source energy is changing significantly. We have an opportunity to shape an energy system that supports economic growth and prosperity for Great Britain, creating jobs and building skills. This valuable opportunity will help protect the environment for future generations while ensuring energy remains affordable for everyone.



Yesterday

Previously, most electricity came from fossil fuels at a few large power stations. Heat for homes and businesses relied on coal, oil and natural gas, while transport was mostly fuelled by oil.

Today

The energy landscape is changing at an unprecedented rate, but we still rely on fossil fuels like natural gas for flexibility and energy security.

This reliance on fossil fuels affects our energy independence and exposes consumers to higher bills when international fuel prices rise.

Tomorrow

Our energy landscape will become increasingly complex as we shift to domestic energy sources and reduce reliance on imported natural gas.

Energy will come from a diverse mix of low-carbon sources including wind, solar, biogas, hydrogen, abated natural gas, nuclear, hydropower and more. This will require a smarter, more flexible energy system.

Key



Oil



Natural Gas



Fossil Fuel Electricity



Green Electricity



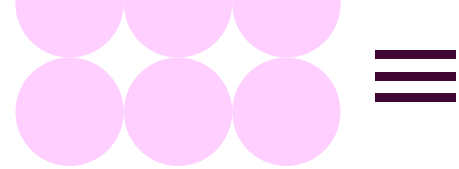
Biogas



Hydrogen

We must work together locally, regionally and nationally to realise the benefits of the energy transition for Great Britain and its people.

Figure 1: A changing energy landscape



2. A Whole System Challenge

Achieving an energy transition that boosts the economy and encourages competition is a complex challenge. It requires whole system thinking and collaboration across the energy sector, from homeowners and local businesses in their communities through to regional, national and international customers.

With representation across England, Scotland and Wales, NESO will engage transparently with communities and work across Great Britain to create an energy system that is affordable, secure and low carbon.

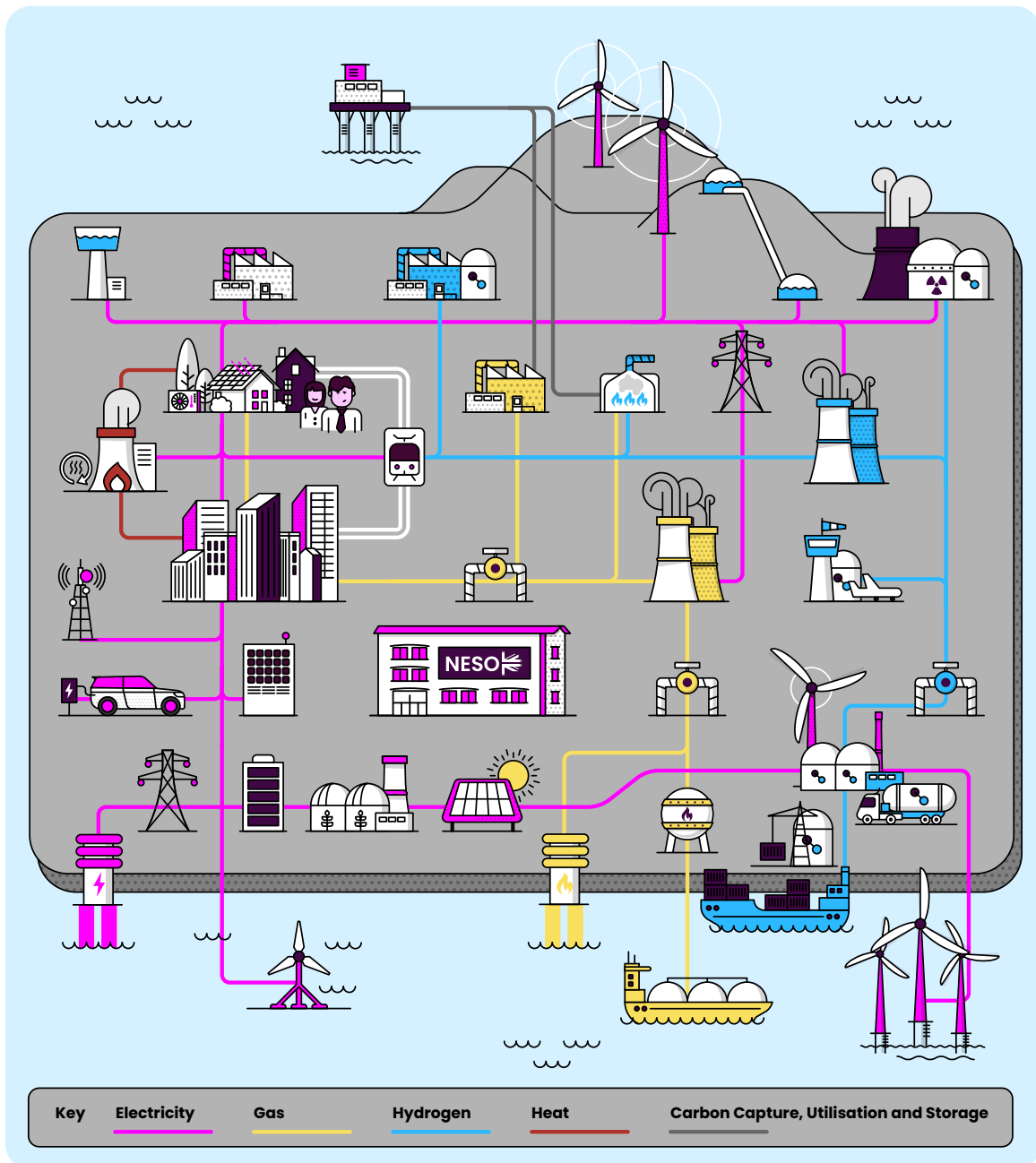
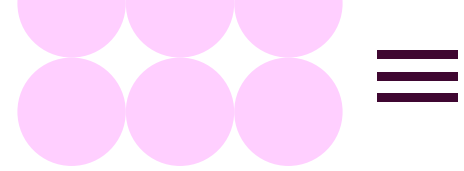


Figure 2: An illustrative story of a hypothetical future energy system*

*Note: This is intended to tell an illustrative story of a hypothetical future energy system. It is not intended to be comprehensive, nor does it define NESO's view of the future energy system.



3. NESO's Role in the Energy Sector

Our increasingly complex energy system must be planned and operated with consideration for interactions across electricity, gas and other energy forms. We will also account for interdependencies with other sectors such as water, transport, telecommunications and industry.

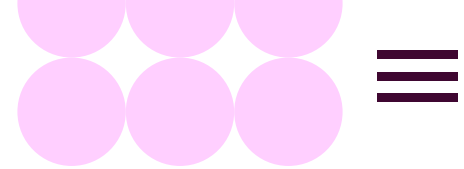
At NESO, we bring an independent, impartial voice to energy system planning and operations, taking a whole system view. We will address interrelated challenges and trade-offs to deliver the best outcomes for energy consumers.

We integrate energy markets, connections, system operations, resilience and emergency management, security of supply, energy insight and strategic planning – all essential for delivering the plans, markets and operations of today's and tomorrow's energy system. Combining these activities within one organisation promotes holistic thinking to develop cost-efficient and sustainable solutions that meet our customers' needs.

The transition to NESO requires a significant expansion in our capabilities and we are transforming to meet this challenge. We will continue important functions, from real-time system operation to market development, managing connections and advising on network investment. At the same time, we will progress our new roles to support government in delivering a world-leading, integrated approach to energy.

More information can be found by visiting [What we do on our website](#).





4. Our Business Plan for April 2025–March 2026

This business plan is intended to look and feel different to our previous business plans. We have been working closely with Ofgem, the energy regulator, to reform our regulatory framework. The changes outlined in this plan reflect our status as a new, independent, government-owned organisation with expanded roles and responsibilities.¹

For more information on our BP3 performance framework, please refer to Ofgem’s consultation on the National Energy System Operator’s performance incentives framework for BP3.²

Scope

BP3 proposes our delivery focus for the period April 2025 to March 2026. It will not cover all that we do. For activities not referenced in BP3, we want to assure everyone that we remain committed to delivering:

- **our existing commitments made under BP2³** – for each Performance Objective, we have identified the relevant BP2 activities, which will either not have completed by the start of BP3 or constitute a continuous activity. A consolidation of these commitments can be found in [Appendix, ‘BP2–BP3 mapping of commitments’](#). We will continue to engage with customers on these through our existing channels and publications.
- **our licence obligations⁴**
- **our core functions** – Balancing the National Electricity Transmission System (NETS) in a safe, reliable and efficient way. This includes coordinating with other network operators on operational decisions, outage changes, and network planning up to one-year; short-term energy forecasting; managing and sharing system data and information; and restoration and emergency response to system instability events.⁵

Stakeholder input

The customer feedback from our various BP2 activities helped us understand where to focus our delivery for the next year to maximise consumer benefit.

Our Independent Stakeholder Group (ISG), an iteration of the ESO RIIO-2 Stakeholder Group (ERSG), has provided invaluable feedback on our draft Performance Objectives, Major Deliverables and Success Measures for this draft plan.

1 NESO is built on our previous experience as the Electricity System Operator (ESO). The ESO had extensive expertise in balancing electricity supply and demand 24/7, while making sure network operations and the markets were prepared for the future. The transition to NESO requires a significant expansion in our capabilities and we are transforming our organisation to meet this challenge. More information can be found by visiting [What we do](#) on our website.

2 Ofgem’s [Consultation on NESO’s performance incentives framework for BP3](#)

3 [RIIO-2 Business Plan 2023-2025](#)

4 [Electricity System Operator Licence](#) and [Gas System Planner Licence](#)

5 [ESO Roles Guidance](#)

An ambitious plan

The energy sector is undergoing a fundamental transformation, with the pace of change only continuing to accelerate. Our draft business plan reflects the unprecedented shift that is taking place across the entire system, focusing on the most critical and impactful activities we need to undertake.

Our proposed Performance Objectives demonstrate our expanded and wide-ranging whole system remit as NESO. Many of the activities we intend to undertake for this period represent roles we have not previously been responsible for. In some areas, we are committed to undertaking work that has never been done before to advance the energy transition, both in the energy sector in Great Britain and on an international scale.

For the first time, we will produce strategic national energy plans with strategic environmental assessments for Great Britain, something no other system operator worldwide has achieved on this scale. Achieving clean power by 2030, while keeping the system secure and affordable for consumers, will be a significant achievement. We will take on a digital leadership role for the energy sector, improving sector-wide data practices and advancing collaborative digitalisation of the whole energy system.

Our work as NESO will also build on the strong foundations established as ESO, continuing to pursue excellence across all previous ESO functions. We will meet our ambition for zero-carbon operability in 2025. We will continue to transform our markets, unlocking the full potential of flexibility, while also remaining prepared to deliver fundamental reforms subject to a final decision on the Review of Electricity Market Arrangements (REMA).

We are confident that our draft business plan sets the necessary level of ambition, while remaining both credible and achievable, at this pivotal moment for the energy sector.

BP3 timetable

Figure 3 provides an overview of the main stages and timings for the BP3 process. We have published our draft BP3 (step 1) and are now consulting on the document (step 2).

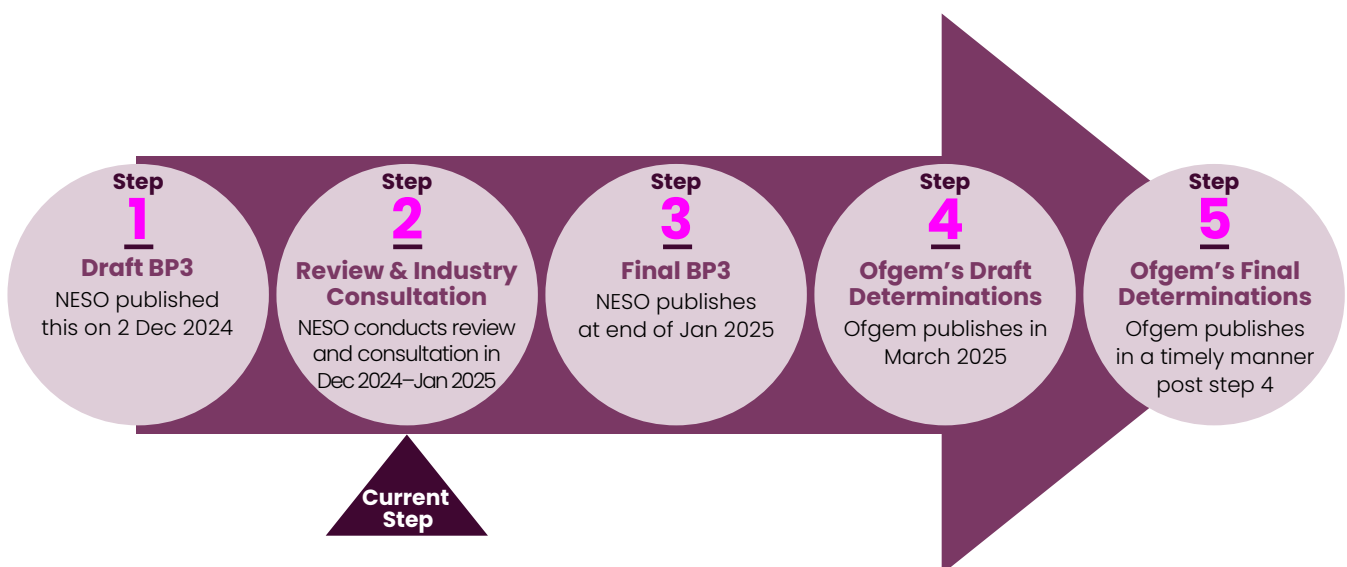
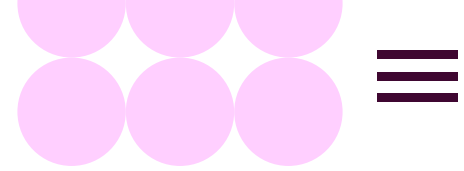


Figure 3: BP3 timetable

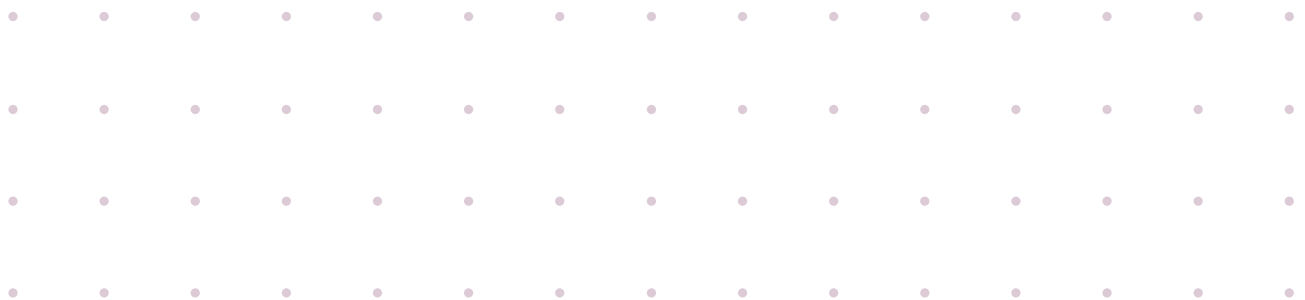


5. BP3 Building Blocks

BP3 articulates our delivery focus through eight Performance Objectives. These objectives underpin our NESO strategic priorities, enabling us to fulfil our statutory duties as well as our purpose, vision and values.⁶ This is shown in Figure 4.



Figure 4: BP3 building blocks



⁶ Our purpose is to forge the path to a sustainable future for everyone and our vision is a future where everyone has access to reliable, clean and affordable energy; our work will be a catalyst for change across the global community. Our values are what define us, setting the foundation for our purpose and guiding us as we move towards achieving our vision. They include accelerating progress, build trust, create belonging and be curious. More information can be found by visiting [What we do](#) on our website.



Performance Objectives

We have identified eight Performance Objectives that support the delivery of our Strategic Priorities between April 2025 and March 2026. These objectives recognise the transformational changes currently taking place within the energy system, sharpening our focus on advancing clean power, decarbonising energy and maximising consumer value.

Table 1: Our Performance Objectives for 2025/26

WHOLE ENERGY	
	<p>Strategic Whole Energy Plans</p> <p>NESO will work toward national and regional strategic whole energy plans that align to deliver a clean, secure and affordable energy system for the benefit of communities, consumers and society.</p>
	<p>Enhanced Sector Digitalisation and Data Sharing</p> <p>NESO will work with the sector to develop a unified digital ecosystem with transparent data access and stakeholder-focused solutions.</p>
	<p>Fit-for-Purpose Markets</p> <p>NESO will support the government in making informed decisions on policy and market reform across the whole system. We will also continue to reform our own markets to level the playing field and deliver value to consumers.</p>
	<p>Secure and Resilient Energy Systems</p> <p>NESO will bring a whole-energy system approach to ensuring energy security and resilience for Great Britain.</p>
	<p>Separated NESO Systems, Processes and Services</p> <p>NESO will enable pace in its business operations and delivery through a successful exit from transitional arrangements with National Grid and by implementing NESO-specific digital infrastructure, systems and services.</p>
	<p>Clean Power 2030 Implementation</p> <p>NESO will play a pivotal role in securing clean power for Great Britain by 2030 on the path to net zero by 2050. Building on our 2024 advice to government on pathways to a clean, secure, operable and deliverable electricity system, we will move to action and implementation in line with the government's CP2030 action plan.</p>
ELECTRICITY	
	<p>Operating the Electricity System</p> <p>NESO will continue to maintain the safe, reliable and efficient operation of the electricity system, ensuring our electricity systems remain secure and stable today and in a future zero-carbon network.</p>
	<p>Connections Reform</p> <p>NESO will work with Ofgem, DESNZ, network owners and customers to deliver and implement a reformed connections framework that enables projects needed for 2030 and beyond to connect in a timely and coordinated manner.</p>



Value for money

All our activities under the Performance Objectives should ensure value to consumers, both current and future. Consumer value is not necessarily financial; examples of other considerations include security of supply and environmental impact.

Under our regulatory framework, Ofgem holds us to account for delivering value for money to consumers. In addition, value for money is a key principle within the Managing Public Money (MPM) framework, which sets out the main principles for managing resources in a public sector organisation.

Value for money is crucial, as it ensures that resources are used efficiently and effectively to achieve the best possible outcomes for consumers.⁷

It is therefore crucial that we have systems, processes and governance that drive value-for-money decision-making in everything we do. This includes our approach to resource allocation through a corporate planning process, investment approvals, application of procurement best practice, and forums where subject matter experts provide insights and challenge on the actions and decisions we take.

We already have these systems, processes and governance in place, but will refine and improve them to ensure they are fit for purpose for NESO and provide consumer value through this and future business plans. Our focus is on maximising value while maintaining high performance standards, especially in critical investments.

Our Performance Objectives articulate the strategic activities we are undertaking to accelerate progress towards clean, reliable energy that is affordable for all. The benefits they will deliver are significant but will materialise in different ways and across different timescales. This makes it challenging to quantify them in a way that is both comparable and measurable. We have therefore applied a qualitative approach to benefits, which aims to give a clear understanding of how the Performance Objectives and supporting Major Deliverables will add value to consumers and the wider energy sector.

We have identified four broad categories to describe the core outcomes that our objectives will deliver:

- **Lower bills for consumers than would otherwise be the case:** Many of our activities will have a direct impact on the costs we incur to operate the system and on the investment required to coordinate, plan and build energy networks. Effective delivery will therefore result in lower consumer bills than would otherwise be the case.
- **Ensuring system security and reliability:** Having a system that is secure, reliable and resilient for the future is essential for consumers. Changes to our ways of working are needed as the energy systems evolve to be more decentralised, but also more integrated, with whole system considerations now a key requirement.
- **Supporting net zero:** Driving the transition to net zero is a primary focus for us and the government, benefiting consumers. This priority is embedded in our statutory duties and strategic objectives. We will highlight where and how our activities contribute to this outcome.

⁷ [Consultation on National Energy System Operator's performance incentives framework for BP3 \(ofgem.gov.uk\)](#), p 34.

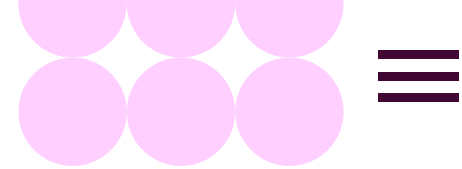


- **Improved industry coordination:** In our central role, we will identify and support more effective and efficient flows of information, data and processes within and across the energy ecosystem, enhancing overall consumer benefits in terms of cost, security and sustainability.

Each of our Performance Objectives will include an explanation of how it contributes to one or more of the above benefits categories and how we envisage that benefit being realised. We also outline the timeframe over which we expect those benefits to be realised.

While our activities can result in more immediate benefits, it is important to recognise that much of what we are doing in this period is in preparation for the future. The costs we incur now may not necessarily deliver immediate benefits but will provide benefits in the future. We have used the following timeframes to articulate when we expect benefits to occur:

- **Within BP3:** Benefits that occur in the regulatory period from 1 April 2025 to 31 March 2026.
- **Medium-term:** Benefits which occur after the end of BP3 but before 2030.
- **Longer-term:** Benefits that occur in 2030 and beyond.



6. Consolidated Cost Picture

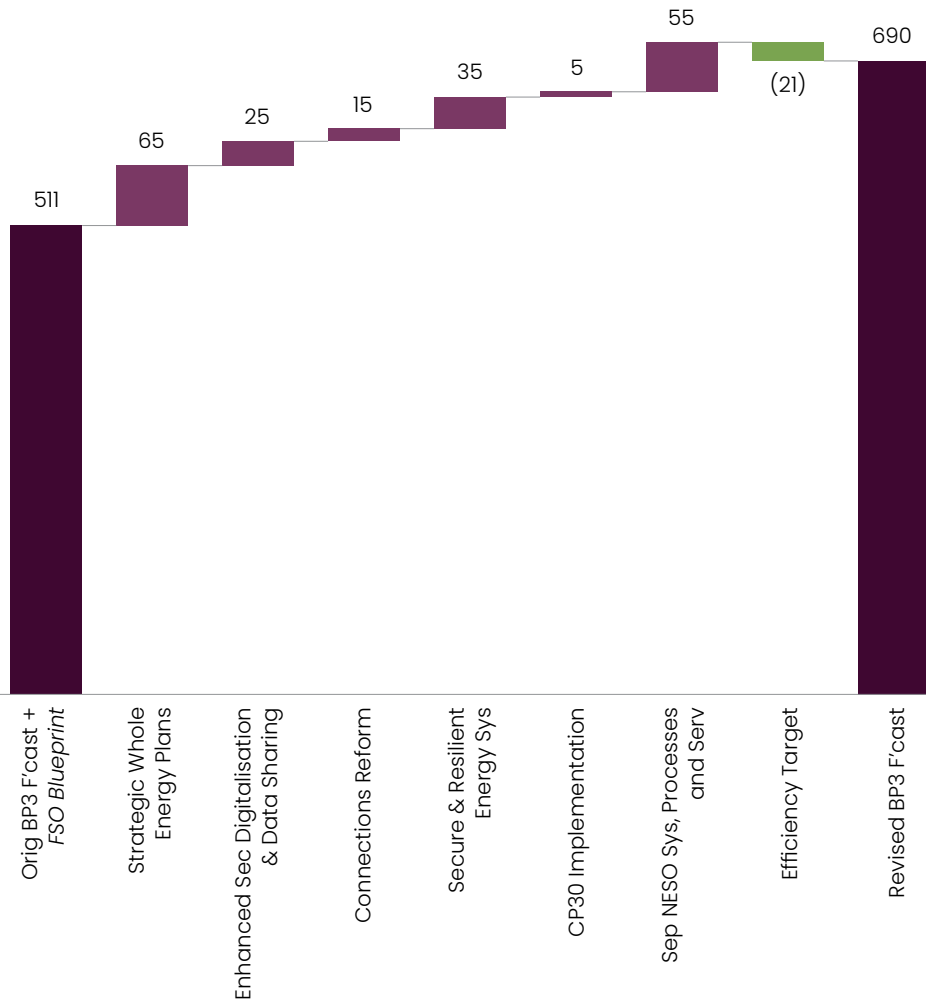


Figure 5: Original BP3 forecast vs revised BP3 forecast – RIIO-2 excluded the full scope of NESO’s new roles. Costs presented are nominal, in a 2025/26 price base.

Approach

NESO has assessed the requirements and prioritised activities to prepare a Totex⁸ envelope for BP3. This sets the forecast within which we will provide run-the-business services and investment in new roles and enabling infrastructure.

The component costs summarised in the waterfall above comprise the following elements:

- **Run the business (RTB):** This includes internal capacity and capability, as well as external support, to run the core services.
- **Programme delivery:** This covers internal and external capability and capacity required to deliver the programme.
- **IT infrastructure investment:** Rough Order of Magnitude (ROM) costs that reflect the lifecycle of the investment. For new investments in FY26, each investment will be subject to our internal business case development and sanctioning process.

⁸ The total cost of expenditure relating to licensees’ regulated activities.



The baseline of £511m for BP3 is the total of costs for FY26, consisting of:

- **£393m:** Costs as per Ofgem's final determinations for BP2
- **£118m:** Future System Operator (FSO) costs outlined in the *FSO Blueprint*⁹ submission to Ofgem in March 2023

It should be noted that the costs of shared services provided by National Grid in the BP3 baseline are based on those incurred as at 2019, as agreed with Ofgem. Additionally, the *FSO Blueprint* submission included incremental costs for additional roles identified at the time. Since then, there have been changes in the timing and scope of these roles, as well as the addition of new roles, which are now reflected in our latest strategic cost assessment. The *FSO Blueprint* costs also include investment initiatives for FY26 that will extend into FY27 as we continue our separation from National Grid.

Cost drivers by Performance Objective

We are not forecasting any material change to the costs required to deliver the commitments made during BP2 for the two Performance Objectives: **Operating the Electricity System** and **Fit-for-Purpose Markets**.

For the remaining Performance Objectives listed below, we are forecasting an increase in baseline costs to deliver these new or changed roles. We will continue to work with Ofgem to define the design and scope of these roles and investments.

The total increase in costs above the baseline is driven by the following factors:

- **Incremental run-the-business (iRTB) costs:** Costs incurred following the delivery of change.
- **Investment in skills and capabilities:** This includes iRTB costs associated with new roles.
- **Investment in technology supporting new roles:** Costs are based on ROM estimates and reflect the lifecycle of the investment. For new investments in FY26, each will undergo our internal business case development and sanctioning process. Detailed information on these investments will be included in the DD&T annex of our final business plan submission in January 2025.



Strategic Whole Energy Plans

Our plan for FY26 sets out an incremental full-time equivalent (FTE) requirement of 288, with a phased cost of £32.0m for the year, supported by external parties (£21.5m) where effective. This will deliver a cohesive energy infrastructure plan for Great Britain, including Plexos modelling, environmental studies, stakeholder events and external assurance. The plan encompasses both a national-scale asset strategy and local initiatives, leveraging nationwide capabilities to achieve the net zero ambition. We will continue to work with Ofgem on the design and requirements of these roles.

In addition, we have proposed new investments in:

- **Geospatial and locational intelligence (ROM cost: £6.0m):** We will centralise and standardise geospatial technologies and relevant data across the organisation through an enterprise-wide location intelligence (geospatial) platform. This platform will support accurate location data management and provide decision-makers and consumers with insights to enable informed decision-making. Costs are estimates for FY26 and will be subject to detailed design.

⁹ The *FSO Blueprint* submission to Ofgem in March 2023 was a proposal submitted by National Grid and ESO (Electricity System Operator) outlining their plans and costs for implementing the FSO.



- **Enabling technology and data infrastructure (ROM cost: £5.5m):** To achieve the required digital outcomes for Strategic Energy Planning, we have identified technology solution areas to pursue, leveraging several existing capabilities to support these areas.

In line with our Architectural Principles, we will ensure the responsible reuse of existing capabilities before considering buying or building new capabilities. We will drive standardisation through policies and guidelines, facilitating interoperability and best practices. This approach will help us achieve Strategic Energy Planning outcomes in a repeatable, modular and future-proof way.

We forecast a total cost of £65m.



Enhance Sector Digitalisation and Data Sharing

Our plan for FY26 sets out an incremental FTE of 117, with a phased cost of £11.5m for the year. This will deliver enhanced technological capability and improve industry coordination through better data sharing, improved data infrastructure and the use of AI.

In addition, we have proposed new investments in:

- **Data Sharing Infrastructure (DSI) (ROM cost: £6.0m):** The DSI will provide the foundation to realise the concept of connected digital twins by creating digital services, standards and tools that deliver trusted, secure, resilient and scalable sharing of data across organisational boundaries of energy sector participants.
- **Digital change (ROM cost: £5.0m):** These investments will drive digital enhancements to technology systems, platforms, processes and tooling across our customer and enabling functions.
- **Contracts for Difference (CfD) (ROM cost: £2.0m):** The CfD scheme is the government's main mechanism for supporting the deployment of low-carbon electricity generation. Decarbonising the power sector is vital to the UK's efforts to meet its world-leading net zero target. This investment will improve customer experience and ensure future demand requirements are met.
- **Review of Electricity Market Arrangements (REMA) (ROM cost: £0.5m):** This new investment is a discovery activity to develop understanding of the potential impacts on our systems.

We forecast a total cost of £25m.



Connections Reform

Our FY26 plan outlines a requirement for 14 FTEs, with a phased cost of £1.5m for the year, supported by external parties (£7.2m) where effective. This includes financial instrument design, marketing and legal expenses. The increased complexity arising from changes in network plans is reflected in these requirements. The weighting towards external support recognises that this work is not enduring, making short-term external resources a prudent approach.

In addition, we have proposed a new investment in:

- **Technology transformation for connections (ROM cost: £6.3m):** This investment is needed to transform the connections process to handle the high volume of applications we now receive as part of the decarbonisation journey. Increasing digitisation will drive process optimisation, improve customer experience and ensure the right connection applications are prioritised to meet UK strategic targets.

We forecast a total cost of £15m.



Secure and Resilient Energy Systems

Our FY26 plan outlines a requirement for 134 FTEs, with a phased cost of £14.8m for the year, supported by external parties (£8.9m), including security accreditation and assurance, where effective.

In addition, we have proposed new investments in:

- **Long-term resilience programme (ROM cost: £6.0m):** This programme will focus on the longer-term resilience of our control operations and the establishment of a new contingency control centre. Due to the sensitive nature of this programme, we will not be providing further information for security reasons. However, we will work closely with Ofgem to ensure efficient spending on this project.
- **System operations tech enablement (ROM cost: £3.2m):** This investment focuses on discovery activities to improve operational awareness and transparency, enabling control room operators to make more informed decisions in operational timeframes. While this investment will not directly deliver new capabilities, it will determine how technology can assist in enhancing control room operations.
- **Offline modelling (ROM cost: £2.1m):** This investment supports the development of a comprehensive energy system approach to achieving zero-carbon operability. It enhances our network capabilities and addresses complex modelling challenges associated with a decarbonised system. Our offline network modelling tools are essential for the day-to-day analysis needed to operate the transmission system safely and securely, as well as for producing the Electricity Ten Year Statement and regulatory reporting.

We forecast a total cost of £35m.



Clean Power 2030 Implementation

Our FY26 plan outlines a requirement for 40 FTEs to support new and accelerated power systems activities in the following areas:

- **System access planning:** Strengthening system resilience and operability.
- **HVDC interoperability:** Ensuring interoperability of High-Voltage Direct Current (HVDC) assets and their integration with onshore networks.
- **Distribution interface management:** Managing the interface between Distribution Network Owners and Distribution System Operators.
- **Network compliance support:** Assisting Transmission Owners in assessing a compliant network.
- **Technology deployment:** Assessing the benefits and coordinating the deployment of innovative technologies.
- **Oscillations analysis:** Continuing and accelerating the development of a deep understanding of oscillations.
- **Connection compliance:** Enhancing the compliance process for new connections.

This additional capacity and capability will accelerate planning and development activities to enable CP30 delivery.

We forecast a total cost of £5m.



Separated NESO Systems, Processes and Services

Our FY26 plan outlines the need to establish NESO's enabling functions as an independent entity. This separation will create autonomy, increase pace and improve user and customer experiences, enabling a swift exit from transitional arrangements.

Since the design of the *FSO Blueprint*, the context and demands on NESO have evolved. While we continue to review our operating model and refine requirements, we will work with Ofgem to ensure the latest forecast position reflects these changes.

As set out in the *FSO Blueprint*, we will bear the cost of establishing new capabilities where they are required but not transferred from National Grid to support NESO's enhanced role in the industry. The *FSO Blueprint* was a point-in-time assessment, subject to detailed design of the enabling functions as NESO evolved.

In total, we forecast a cost increase of £55m in FY26, which includes the following material items:

- Enhanced market and stakeholder management capability
- Establishing training and apprenticeship schemes
- Major change capability
- Enabling operating models in finance, property, procurement, legal and HR

Efficiency target

As noted previously, this document represents a strategic assessment of our costs. While further detailed work is ongoing, we considered it good practice to include an efficiency target as part of our assessment process. This reflects our commitment to continuously challenging ourselves to deliver value for money.

During FY26, we believe there is an opportunity to:

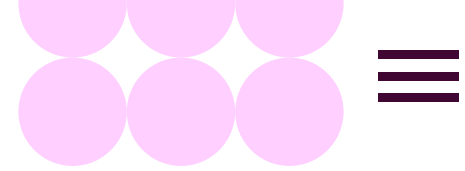
- **Optimise resource utilisation:** This includes people, capital and infrastructure, ensuring effective use of our skills and capabilities across the organisation.
- **Align activities with Strategic Priorities:** Ensuring all activities contribute to our Strategic Priorities and fulfil our primary and secondary duties through effective governance and cross-organisation engagement.
- **Minimise costs without compromising quality:** This includes running compliant procurement events and effective sanctioning processes.

Innovation

In addition to the activities and costs described above, we will continue to maintain a portfolio of active innovation projects funded by the [Network Innovation Allowance](#) (NIA), [Network Innovation Competition](#) (NIC) and Ofgem's new [Strategic Innovation Fund](#) (SIF).

We publish an innovation strategy report annually. To learn more about our innovation priorities for 2024-25, visit Innovation strategy on our website. Our innovation strategy for 2025-26 will be published in March 2025.

Our innovation ambition is expanding to support NESO's vision and priorities. The strategy will focus on driving portfolio value, facilitating innovation, and enabling talent, start-up and AI capabilities.



7. How We Will Deliver

Customer Centricity

To effectively serve energy consumers and Great Britain, NESO will need to work in close collaboration with the broader energy sector. Our focus is on a customer-centric approach that underpins all our Performance Objectives. We define 'customer' as anyone impacted by our work, including service providers and communities. Using this term consistently in all our communications emphasises our commitment to understanding and balancing the needs of the diverse range of external parties we work with to fulfil our purpose.

Our expanded role as NESO means working with a wider range of customer groups, both existing and new. To ensure we are continually listening to and engaging with customers to shape our future initiatives and improve our service, we have appointed a Customer Director to our Executive team.

By establishing mechanisms to gather and share insights into customer needs and priorities, we will ensure our cross-organisational decisions and priorities are well-informed. Through a redesigned communication and engagement strategy, we will ensure that customers have access to the right level of information and opportunities to work with us, share their ideas and provide feedback. We will also use customers' feedback to enhance our service channels and processes. Our goal is to make it easier for customers to work with us by providing integrated service journeys and improving digital options for support and information access.

In striving for the best outcomes for consumers and Great Britain, we recognise we may not always meet everyone's needs. However, we will proactively collaborate with a broad range of industry partners and community groups to ensure we take an informed position that carefully considers and balances the broader impacts of our decisions.

Digital Mindset

A digital mindset is crucial to our strategic priorities, positioning us as a leader in sector-wide digitalisation. It means having the right digital skills, using modern technologies and innovation – including AI-driven approaches – and embracing open data sharing.

This mindset unlocks the potential of modern technology, harnessing data to drive interoperability, maximise its value, and enabling innovation and collaboration across the whole energy system. We are committed to measuring progress in this area, using a key performance indicator (KPI) to assess digital literacy, skills, and readiness (the Digital Quotient, or DQ). Our current baseline is 61%, with a target of 65% for this financial year.

Engagement and confidence from the wider energy sector are critical to our success. By adopting a digital mindset, we will deliver a seamless and supportive experience for customers throughout their journey with us.

A digital first approach will drive the adoption of generative AI (Gen AI) both internally and externally to improve productivity and enhance customer outcomes. During the BP3 period, we will invest in traditional and Gen AI solutions to accelerate the deployment of new technologies. We will also partner with organisations like Climate Change AI to host an annual global competition for AI solutions that reduce carbon emissions.



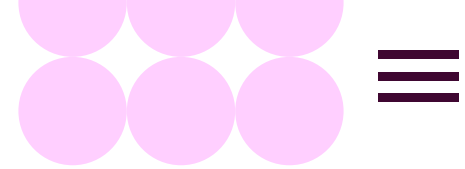
People Value

Our people capability is central to delivering our BP3 obligations and preparing for future requirements. Our people approach will support BP3 Performance Objectives by:

- **Reinforcing culture and values:** Embedding our defined culture and values through communication and engagement programmes, hiring, onboarding processes and leadership role modelling.
- **Developing capabilities:** Implementing a resourcing and development process to anticipate, build and deploy the skills needed to meet our BP3 obligations.
- **Agile resource deployment:** Forming agile teams that combine the best capabilities and support team development to meet future challenges.
- **Promoting diversity and inclusion:** Advancing diversity, equity, inclusion and belonging (DEIB) to maximise creativity and relevance, and harness the full potential of our workforce.
- **Encouraging positive performance:** Promoting a culture of positive performance to maximise productivity and effectiveness.

Each BP3 Performance Objective relies on people to ensure its smooth and efficient delivery. For example:

- **Strategic Whole Energy Plans:** Our work with national and regional strategic whole energy plans requires an increase in skills. By building capabilities in whole energy systems, strategic spatial energy plans and regional system energy plans, we will collaborate with government, customers and communities to deliver a clean, secure and affordable energy system for communities, consumers and society.
- **Enhanced Sector Digitalisation and Data Sharing:** As we become a digital first and data led organisation, we will continue investing in our employees to develop the skills needed to deliver sector digitalisation and data sharing.
- **Connections Reform:** Delivering Connections Reform requires dedicated resources to drive this work forward. This key priority demands a focused and experienced team, requiring a temporary uplift in people to ensure timely and coordinated delivery.
- **Separated NESO Systems, Processes and Services:** Separating IT support systems from National Grid grants us autonomy and agility. This transition allows customisation to better meet our people's needs, empowering them and improving efficiency. Transforming core systems such as payroll, finance, procurement and enterprise will streamline services, enhance employee experience, and ensure timely delivery of essential functions. Leveraging data insights will boost operational efficiency, tailor services and enhance People Value within NESO.

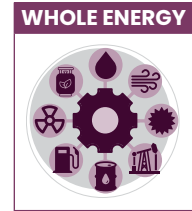


8. What We Will Deliver



Performance Objective: Strategic Whole Energy Plans

NESO will work toward national and regional strategic whole energy plans that align to deliver a clean, secure and affordable energy system for the benefit of communities, consumers and society.



To achieve the UK's decarbonisation targets and integrate low-carbon and renewable energy projects into the system, a coordinated approach between governments, industry and customers is essential. As we transition to net zero, we will see accelerated decarbonisation and decentralisation of generation and demand. Strategic planning that accounts for increasingly complex trade-offs between energy vectors will be critical to achieving a low-cost net zero system. Delivering an increasingly complex and interconnected clean energy system requires resilient systems thinking, strategic planning and coordination. We will align national-scale asset strategies with local initiatives to support policy ambitions in security, net zero, efficiency and economy. We will accomplish this by evaluating the necessary energy infrastructure requirements across Great Britain, determining where and when they are needed.

The [Pathway to 2030](#) Holistic Network Design and the recommendations in the [Network Options Assessment 2021/22 Refresh](#) (NOA) were the first steps towards a more centralised, strategic energy planning approach. This approach is critical for delivering affordable, clean and secure power as we journey toward a net zero future. The next phase includes the *Regional Energy Strategic Plans* (RESPs), *Strategic Spatial Energy Plan* (SSEP), *Gas Options Advice Document* (GOAD) and *Centralised Strategic Network Plan* (CSNP).

The SSEP will be the first of these, taking a holistic approach to national planning for electricity and hydrogen supply and storage in Great Britain. It will assess the optimal locations on a zonal basis, quantities and types of energy infrastructure required, across a range of plausible futures, to meet future energy demand with clean, affordable and secure energy. The SSEP will consider public views, environmental factors and cross-sectoral demands on land and sea. Its findings will inform the CSNP, which will provide national-level strategic planning for energy networks (initially methane gas and electricity). The CSNP will give a view of the transmission network needed to move electricity to where it is used and stored, with recommendations for developing hydrogen infrastructure.

The GOAD will focus on the needs of the national gas transmission system. In our RESP role, we will integrate national and local energy plans creating credible whole energy regional plans enabling society to innovate and decarbonise. Most of this work is 'first-in-the-world', so we will need to build skills and capabilities alongside transparent processes to effectively develop national and regional strategic energy plans and network projects.

Ahead of this, through CP2030, we have provided advice to the government on which network upgrades, markets and policy decisions could accelerate the development of a clean power system by 2030. The strategic energy plans will take this near-term view into account as background or a starting point for analysis.



We are developing a new strategic energy planning function that encompasses our roles across SSEP, CSNP and RESPs. This will provide industry with clarity on our new roles and responsibilities and establish our approach to engagement as we develop methodologies and deliverables.



We aim to seamlessly implement our new capabilities into NESO, ensuring timely and high-quality delivery of both initial iterations and future updates of each plan. We will be ready to deliver strategic whole energy plans that address the complexities of the rapidly evolving energy landscape.

This Performance Objective delivers benefits by supporting progress towards net zero through coordinated, strategic plans that accelerate the decarbonisation and decentralisation of generation and demand. These plans will enable investment in the required network infrastructure across Great Britain.

By determining the most efficient network plans, this objective helps lower consumer bills through strategic coordination at national and regional levels and whole systems integration of different energy vectors. This ensures effective and efficient infrastructure investment, so consumers pay no more than necessary.

We will also ensure our plans maintain a secure and reliable energy system, so consumers will continue to benefit from networks that meet their needs. While most benefits will be realised in the longer term due to the nature of network planning, some benefits may emerge in the medium-term.

Table 2: Summary of Performance Objective ‘Strategic Whole Energy Plans’ Major Deliverables and Success Measures

 Key Performance Indicators	 Target
Publish the first SSEP pathways document.	Deliver by the end of 2025.
 Major Deliverables	 Success Measures
Gain approval of the strategic energy planning methodologies within the specified timelines: <ul style="list-style-type: none"> • SSEP methodology by June 2025 • CSNP methodology by September 2025 	Clear and concise publications with evidence of engagement with a broad range of customers, clearly demonstrating how their feedback has been fully considered.
Publish RESP inputs to Electricity Distribution-3 price control as agreed with Ofgem by March 2026.	
Publish the <i>Gas Options Advice Document (GOAD)</i> by 31 December 2025.	
Build capability and establish a presence across the RESP regions.	Key relationships established in each of the RESP regions.



KPI: Publish the first SSEP pathways document by 31 December 2025

The first SSEP will be delivered after BP3 and does not constitute a Major Deliverable for this period. However, during BP3, we will produce a set of pathway options as part of developing the final SSEP. These options will outline how the energy system might evolve and how infrastructure needs may vary under different future scenarios.

The UK Energy Secretary will select the final pathway option, which will undergo public consultation to shape the final plan. Welsh and Scottish governments will also be consulted as part of this process. This pathway will be used to conduct environmental assessments.

We will provide our pathways report to the UK Energy Secretary by the end of 2025.



Gain approval of the strategic energy planning methodologies within the specified timelines

During BP3, we will develop and finalise methodologies for the CSNP, the SSEP and the RESPs. These methodologies will outline how each plan will be produced, including key outputs, and will be subject to consultation. We will ensure that coherent plans are produced at all levels of the system, reflecting the interactions between the RESPs, CSNP and SSEP.

To fulfil our strategic energy planning duties, we must enhance engagement at local and regional levels, build new partnerships and strengthen relationships with customers. Our plans will consider technical, environmental and economic factors, alongside diverse customer views. Our SSEP engagement will seek societal consent and incorporate public views where appropriate. Each RESP will enable input from local actors and align with regional priorities.

By involving customers, seeking their feedback, and providing engagement opportunities, we aim to encourage advocacy and ownership of the plans. Stakeholder engagement forums for each plan will support this goal and enable meaningful contributions. We recognise the importance of a comprehensive and effective customer engagement programme across our strategic energy planning function.

We have also established external governance forums to coordinate planning and alignment across strategic energy plans, DESNZ and Ofgem. These forums will bring together key customers and decision-makers to ensure a unified approach.

We will submit the SSEP methodology for approval by the UK Energy Secretary and Ofgem by June 2025, and the CSNP methodology for approval by Ofgem by September 2025. Ofgem will also need to approve the RESP methodology, but they have not yet published a final decision on the RESP policy design framework.

Strategic planning represents a major expansion of our responsibilities, requiring substantial capability building. Gaining approval for our methodologies demonstrates our strong ambition in this area.



Publishing regional input to electricity distribution plans

The first RESPs are due to be published by December 2027 and fall outside this business plan period. However, during the period we will publish an initial RESP output by March 2026 to inform the next price control for electricity distribution networks (RIIO-ED3).



The RESPs will formally interact with RIIO-ED3, ensuring that investment plans for distribution network capacity align with their strategic direction. While this output will be smaller in scope than the full RESPs, it will support the identification and delivery of the accelerated investment required for decarbonisation by 2030.

Publishing the gas options advisory document

Our Gas Network Capability Needs Report (GNCNR) will be published by the end of 2024 and every two years thereafter. The subsequent Gas Options Advisory Document (GOAD) will be published by the end of 2025. Both the GNCNR and GOAD are new NESO licence obligations.

GNCNR will assess the current network and analyse it against future energy pathways. The GOAD will provide advice to Ofgem on potential options to ensure network safety and to meet future customer requirements.

As we transition to NESO, we are building our gas capability. We will continue to strengthen this capability to be recognised as a trusted advisor across gas, electricity and whole system publications.

Build capability and establish a presence across the RESP regions

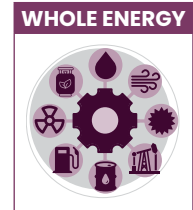
As outlined in Ofgem's consultation on the RESP policy framework, each RESP must fully reflect its regional context, be grounded in local priorities, and consider place-based interdependencies within and beyond the RESP area. High-quality local inputs will enhance each RESP's alignment with place-based considerations.

To establish a strong presence and deliver effectively, we will build capability in the regions and develop key relationships. This includes recruiting people into the relevant regions to ensure sufficient local input and regional democratic oversight. We are working with Ofgem to finalise details on the timing and approach to building this team. Further details will be included in our *Final Determination* document, to be published in the New Year following consultation of the *Draft Plan*.



Performance Objective: Enhanced Sector Digitalisation and Data Sharing

NESO will work with the sector to develop a unified digital ecosystem with transparent data access and stakeholder-focused solutions.







We play a pivotal, independent role in the energy system, bringing together and providing visibility of the opportunities and challenges across various system components. Our proposed approach to digitalisation and data sharing aligns with the government's [Invest 2035: The UK's Modern Industrial Strategy](#), [Clean Growth Strategy](#), and the [Smart Systems and Flexibility Plan 2021](#), which emphasise the importance of data and Artificial Intelligence in achieving a low carbon, flexible, affordable and modern digitalised energy system. As NESO, we have a unique position which will enable us to bring transparency to data from across the energy system, enhancing everything we do and delivering end-to-end benefits. As our role in industry evolves, so must our approach to digitalisation. Using the power of data and innovation, we will become a digital leader, driving collaborative digitalisation of the whole energy system. To action our responsibilities and advisory position, we have created a new [Digitalisation Strategy and Action Plan](#).

This objective will deliver benefits by enhancing industry coordination through better data sharing, improved data infrastructure and the use of AI. It will also drive a collaborative approach to sector-wide digitalisation. These improvements will enable greater transparency, better decision-making using consistent data, and a more effective and efficient digital transformation.

Benefits will start to be realised during the BP3 period and will continue to grow in the medium and long term, as increased data sharing and transparency influence more decisions and processes, delivering greater consumer benefits over time

Table 3: Summary of Performance Objective 'Enhanced Sector Digitalisation and Data Sharing' Major Deliverables and Success Measures

 Key Performance Indicator	 Target
Establish data sharing infrastructure for the industry.	Deliver at least one use case for the Minimum Viable Product (MVP) during BP3.
 Major Deliverables	 Success Measures
Publish a sector digitalisation plan by March 2025.	Clear and concise publication with evidence of engagement with a broad range of customers, clearly demonstrating how their feedback has been fully considered.
Fully implement the interim Data Sharing Infrastructure Coordinator role (subject to consultation outcomes) by September 2025.	Role established, FTEs recruited, and pipeline of Data Sharing Infrastructure use cases agreed with Ofgem and DESNZ.
Provide a comprehensive data catalogue embedded within the data portal by September 2025, increasing the availability and ease of access to sharable critical energy data.	Majority of customers agree that the data sets available on the data portal meet industry needs.



KPI: Establish data sharing infrastructure for the Industry

The Virtual Energy System programme is currently implementing a pilot of the Data Sharing Infrastructure (DSI), designed to enable trusted, secure, resilient and scalable data exchange between participants across the sector. Planned to conclude around April 2025, the pilot will help validate both the specification and the development method for the DSI.

In line with commitments from DESNZ in their response to the [Digital Spine Feasibility Study](#) and Ofgem in their [Governance of Data Sharing Infrastructure Consultation](#), the programme is planning to deliver an MVP of the DSI as the next step. The Minimum Viable Product (MVP) will expand the technical capability developed during the pilot and will launch in test mode for early use by network partners. This early use in test mode will provide feedback and insight to refine the DSI before deployment for regulated networks as a public beta release.

The estimated start date for MVP delivery is July 2025, with readiness for launch projected within approximately 12 months. We will deliver at least one use case by April 2026 as we progress towards delivery.

The MVP will be based on a use case related to strategic energy planning within our roles in Centralised Strategic Network Planning, Regional Energy Strategic Planning and Strategic Spatial Energy Planning. The selection and definition of this use case is planned for the remainder of BP2.



Publish a sector digitalisation plan

We will collaborate with Ofgem, industry partners and experts to establish a task force and publish a report with recommendations on sector-wide digitalisation priorities. This report will guide digital transformation efforts across the energy industry, enabling the efficient and effective adoption of digital technologies. To achieve this, we will work closely with Ofgem to engage the right customer groups and set up roundtables to facilitate wider collaboration on digitalisation initiatives. We aim to publish this plan by the end of March 2026.



Fully implement the interim data sharing infrastructure coordinator role

If the consultation¹⁰ provides support, we will fully implement the interim Data Sharing Infrastructure Coordinator role by September 2025. This includes establishing the new role, recruiting the necessary people, and ensuring the pipeline of data sharing infrastructure use cases is agreed with Ofgem and DESNZ.

This role will oversee the implementation and management of the data sharing infrastructure, ensuring its effectiveness and compliance with regulatory requirements. Success will be demonstrated by:

- delivering all of NESO's DSI commitments
- publishing the first yearly use case report for DSI
- publishing the sector's first digitalisation prioritisation plan as part of the *Clean Power 2030* report

¹⁰ [Governance of the Data Sharing Infrastructure | Ofgem](#)



Provide a comprehensive data catalogue embedded within the data portal

The data we manage will be central to whole energy system decisions. As a result, we actively embrace the need to share our data, encouraging transparency, innovation and collaboration.

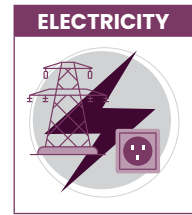
To uphold this commitment, we have developed a comprehensive external data-sharing approach, prioritising data accessibility through our open data portal. We believe in making data as accessible as possible while adhering to necessary safeguards. For sensitive data that cannot be shared openly, we ensure safe, secure and governed direct sharing when required.

As part of this broader work, this deliverable will ensure our externally facing Data Catalogue provides visibility through standardised metadata for energy datasets across government, Ofgem, and industry.



Performance Objective: Operating the Electricity System

NESO will continue to maintain the safe, reliable and efficient operation of the electricity system, ensuring our electricity systems remain secure and stable today and in a future zero-carbon network.



Decarbonisation, decentralisation and digitalisation are driving significant changes across our electricity network, transforming how we operate our electricity system both now and in the future. CP2030 will further accelerate the need for low-carbon technologies to be integrated across the system, while also meeting changing market conditions and system characteristics driven by higher volumes of renewable generation.





We will continue fulfilling our core function of balancing the electricity transmission system in a safe, resilient and efficient way during the BP3 period, while also transitioning to a secure, clean and reliable power system. We have already made significant progress in RIIO-2 towards this objective.

This Performance Objective will deliver benefits by maintaining system security and reliability throughout the transformation to a decarbonised and decentralised energy system. This ensures consumers continue to receive electricity whenever they need it. Challenging existing processes and ways of working will help achieve this at the least cost to consumers.

Supporting the delivery of net zero, we aim to build the capability to operate the system in a zero-carbon way and continue developing this capability as zero-carbon operation becomes more frequent and sustained over time. We will improve industry coordination by enabling better access to markets, more effective control and management of the electricity system and greater transparency for customers. These improvements will lower consumer bills through an effective balancing costs strategy, enhanced competition in markets for flexible and low-carbon assets, improved forecasting and more efficient IT systems.

Benefits will start to be realised during the BP3 period and will continue to grow in the medium and long term as we transition to a zero-carbon system with the right markets, systems and processes to deliver for consumers.

Table 4: Summary of Performance Objective ‘Operating the Electricity System’ Major Deliverables and Success Measures

 Key performance Indicator	 Target
Operate the system carbon free.	100% zero-carbon operation by the end of 2025.
 Major Deliverables	 Success Measures
Deliver new products and capabilities in accordance with our Balancing Programme.	Reduced market downtime, improved dispatch efficiency, legacy systems retired.
Deliver new initiatives from the Balancing Costs Strategy, such as implementing ramp rates for interconnectors and ensuring a fit for purpose utilisation rate for Obligatory Reactive Power Service (ORPS) providers.	Proven lowering of balancing costs from these new initiatives.
Continue to reduce skip rates in line with the dispatch strategy and Balancing Programme developments, while improving transparency of actions with the market.	Evidence performance improvement on key deliverables in line with agreed methodology.
Deliver economic and efficient real-time operation of the electricity transmission system.	Meet the security and quality of supply standards.



KPI: Zero-carbon operation

Great Britain continues to be one of the fastest decarbonising electricity systems in the world. Through our plans to deliver new services, policies and processes, we are moving closer to our ambition of delivering periods of 100% zero-carbon operation.

This transformation represents a fundamental change in how our system is operated, reducing reliance on services from traditional carbon-emitting sources. We have consistently surpassed records for maximum zero-carbon operation, setting a record of 92% of generation from zero-carbon sources earlier this year.

In 2019, we set out an ambition to be able to operate the system at zero-carbon by 2025. Throughout 2024, we continued delivering projects in this programme, including further reducing the minimum inertia requirement, with more projects planned for delivery during BP3 and beyond.

During BP3, we will have the capability to operate a zero-carbon system for at least one settlement period. Initially, our capability to manage this generation mix will be limited by wider system conditions. However, as we continue our programme of work, both the frequency and duration of time we can operate at zero-carbon will increase, supporting the transition of the electricity system towards a zero-carbon future. Whether we operate at zero-carbon depends on the markets providing the right mix of zero-carbon generation.

We will demonstrate this through BP3 by reporting on:

- **Maximum zero-carbon generation percentage by month:** This data will provide transparency on the zero-carbon generation supplied by the markets and the percentage of zero-carbon operation achieved through our operational actions. To support this information, we will also provide the minimum number of carbon-generating assets utilised on the system, collectively demonstrating our increasing capability to operate a zero-carbon system.
- **Carbon intensity of NESO's operational actions:** This will show the difference between the carbon intensity of the combined Final Physical Notification (FPN) of machines in the Balancing Mechanism (BM) and the equivalent profile after balancing actions are applied, demonstrating progress towards reducing reliance on services from traditional carbon-emitting sources.



Deliver new products and capabilities in accordance with the Balancing Programme

Our ability to fully operate a zero-carbon system will also require a complete transformation of our balancing capabilities. Our Balancing Programme was established to develop the balancing capabilities that our control centre needs for the future. During BP2, we launched the Open Balancing Platform (OBP), the Platform for Energy Forecasting, and have continued to introduce functionality and improvements in our existing systems as we transition from current to future balancing capabilities. In BP3, we will continue to transform our balancing capabilities, delivering on our industry-agreed roadmap presented in our [Balancing Programme Webinar](#) in September 2024.



The Balancing Programme's aims will deliver security of supply through a highly resilient OBP with reduced market downtime. It also aims to make improvements in economic dispatch, operational efficiency and employee wellbeing through automation and removal of manual workarounds. It will enable a level playing field for market participants, allowing small, flexible, limited-duration, and low-carbon assets to participate, helping pave the way to clean power operation and a decarbonised future.

A well-managed, transparent approach in migration and improved transparency will build trust with our customers, driving customer centricity. Through product development, we will improve situational awareness, enhancing security of supply, reducing uncertainty and minimising operational risk. This will collectively improve dispatch efficiency and help lower balancing costs. We will maintain our current Balancing Mechanism systems while continuing the transition to OBP.

During BP3, we expect to deliver several key IT investments.

Enhanced balancing capability

In June 2025, we plan to deploy a new national optimiser on the OBP to improve the efficiency and effectiveness of the balancing process.

By September 2025, Electronic Data Transfer will be available within the OBP, enabling efficient data exchange.

Functionality will also be delivered to allow the retirement of the Ancillary Services Dispatch Platform (ASDP) and the Contingency Logging System (CLOGS) by December 2025. This will streamline operations and improve system efficiency.

Real-time prediction

We will implement a phased approach to enhance real-time prediction capabilities, leading to the introduction of a new real-time prediction system by March 2026. This step-by-step process involves the release of enhanced functionality over time, improving the accuracy and reliability of real-time predictions. The goal is to provide more precise and timely information on electricity system conditions, enabling proactive management and efficient decision-making.

Forecasting enhancements

We will explore new models and tools to enhance forecasting diagnostics and accuracy by incorporating additional datasets, including market and consumer data. Regional and MVar forecasting improvements are also being considered to support constraint studies and optimise system operations.

We will enhance control room situational awareness by providing real-time forecasting visualisations and profiles. This will enable better decision-making and response to changing system conditions. Furthermore, we plan to replace legacy end-user developed applications with new, modern Azure-based tools, ensuring efficient and reliable forecasting operations. As part of this effort, we will have a strategy to retire legacy Energy Forecasting System (EFS) by March 2026.

Balancing asset health

We will maintain the existing balancing services and systems until the migration to the OBP is complete. This will ensure the continued provision of reliable and efficient balancing services, supporting the stability and security of the electricity system throughout the migration process.



Ancillary services dispatch

We will complete the migration of the Ancillary Services Dispatch Platform (ASDP) functionality to the OBP by December 2025. By consolidating these systems, we will streamline operations and optimise the dispatch of ancillary services, which are crucial for maintaining the stability of the electricity system. Concurrently, we will begin the retirement process of ASDP, ensuring a smooth transition and efficient operation of the OBP. This initiative represents a significant step towards enhancing the efficiency and reliability of ancillary services dispatch, ultimately benefiting the overall reliability of the electricity system.

Deliver new initiatives from the balancing costs strategy

We will continue implementing our balancing costs strategy to lower costs by supporting greater competition in our markets and reducing network constraints.

Our Balancing Costs Strategy outlines a comprehensive range of initiatives to minimise balancing costs across four areas:

- **Designing and procuring new services and markets:** We aim to increase competition and optimise pricing through reforms to our response and reserve markets, along with our Network Service Procurement initiatives.
- **Optimising network design in Great Britain and managing delivery:** Savings will be achieved by implementing initiatives to address thermal, stability and voltage constraints, enhancing network efficiency.
- **Exploring innovative cost-reductive solutions:** This includes our Causal Analysis of Balancing Costs in collaboration with Imperial College London. This analysis aims to quantify the impact of market and system features such as wholesale prices, fuel mix, interconnector flow and outages on balancing costs and assess the likelihood that changes in these features will increase or decrease costs. It will inform our balancing costs strategy and provide advance indications of the probability of high-cost days.
- **Enhancing control room products and processes:** With further IT releases scheduled in 2025, our goal is to improve forecasting and control room capabilities as part of our Balancing Programme.

Reduce skip rates in line with dispatch strategy

We will work with Ofgem and customers ahead of BP3 to develop a measure for dispatch performance. This will involve establishing a baseline, agreeing on a method of calculation, and aligning key deliverables with performance improvement targets.

We are committed to enhancing transparency by providing clear and timely information to market participants about balancing actions, changes to the dispatch strategy and decision-making processes. These efforts will optimise the balancing process, reduce skip rates and promote transparency in the electricity market. We will outline our proposed performance improvement measures in the new year after industry consultation.



Deliver economic and efficient real-time operation of the electricity transmission system

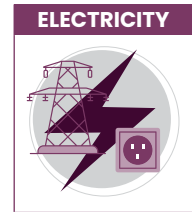
We will continue to optimise the operation of the transmission system to ensure it remains economically viable and efficient. This includes managing the flow of electricity, balancing supply and demand, and maintaining grid stability. Efficient operation minimises costs and maximises the utilisation of available resources.

In addition to economic efficiency, we are committed to ensuring the reliable and uninterrupted delivery of electricity. This involves maintaining system stability and resilience, preventing and mitigating disruptions, responding to emergencies and adhering to regulatory standards to ensure the security and quality of supply.



Performance Objective: Connections Reform

NESO will work with Ofgem, DESNZ, network owners and customers to deliver and implement a reformed connections framework that enables projects needed for 2030 and beyond to connect in a timely and coordinated manner.



There is an urgent need to reform Great Britain's electricity connection process. Many project developers are currently waiting too long to connect to the network, hindering progress towards delivering *Clean Power 2030* and, ultimately, net zero. Additionally, some projects in the queue are holding capacity without progressing, significantly delaying the timely connection of other projects.





Reforming the connection process represents a critical opportunity for Great Britain to drive growth and achieve clean power targets. We propose filtering the connections queue based on technologies that align with strategic goals. Initially, this will follow the CP30 pathways (up to 2035) and, in the longer term, the SSEP.

Prioritising projects that contribute to zero-carbon operation will ensure faster, more coordinated and efficient connections. This approach will align connections with Great Britain's future strategic energy needs, reduce costs to consumers by connecting only the energy needed and ensure the system operates efficiently.

This Performance Objective supports delivery of net zero by enabling zero-carbon projects to connect more quickly and efficiently. It also helps lower consumers' bills by aligning connections with strategic energy needs and providing developers with increased certainty about their connections. This reduces unnecessary costs for consumers, as they won't pay for unneeded connections, and minimises risks for developers, lowering the costs passed on to consumers.

These benefits will begin to materialise during the BP3 period, as the reforms apply to projects in the existing connection queue. However, the benefits will also extend into the medium and long term as the new reforms continue to support the transition to zero-carbon.

Table 5: Summary of Performance Objective 'Connections Reform' Major Deliverables and Success Measures

 Key Performance Indicator	 Target
Issue Gate 2 offers for those eligible in the queue.	100% of projects that enter the Gate 2 queue window in May will have offers by end of March 2026.
 Major Deliverables	 Success Measures
Continue to improve the quality and customer service of connections process through digital first implementation, improved engagement through the hubs with the TOs and more accessible connection contracts.	All data in one place in line with work under Connections 360.
Implement and apply new methodologies working with TOs and DNOs to provide revised connection offers in alignment with CP2030 and beyond by December 2025.	By December 2025, connection dates will be aligned to support the required technological and locational mix for the CP2030 plan.
Work with Ofgem and DESNZ to create an approach for demand that enables effective and timely connections, implement approach and accelerate demand connections.	Improved connection time for demand connections.



KPI: Gate 2 offers for those eligible in the queue

Connections Reform will introduce Gate 1 and Gate 2 stages into the process for both new and existing applicants. To receive a confirmed contractual connection date, applicants must meet specific criteria to progress to Gate 2. They will need to demonstrate that they meet 'readiness' criteria and are aligned strategically with the technology mix required for Great Britain.

Projects meeting the criteria will retain their existing queue positions, while others will be brought forward where capacity is released. Projects that do not meet the criteria will receive a Gate 1 offer, which does not include a firm contracted date.

We plan to issue a revised queue position for all projects by the end of March 2026. We aim to have at least 97% completed by the end of December 2025. However, due to reliance on third parties, such as the TOs, to meet this target, there is a possibility that some offers may not be completed until the end of the financial year. This will include indicative connection dates for Gate 1 applicants and confirmed offers for those who qualify for Gate 2 in the submission window in May 2025.

Continue to improve the quality and customer service of the connections process

We will improve the quality and customer service of the connections process by implementing a digital-first approach, enhancing engagement through hubs with TOs and making connection contracts more accessible to customers.

A digital-first approach will streamline the connections process, making it more efficient and user-friendly. This involves leveraging digital technologies and platforms to facilitate seamless communication, document submission and tracking of connection requests.

We are committed to consolidating all relevant data into a single platform, aligning with work under *Connections 360*. This consolidation will improve data management and accessibility, giving customers a comprehensive view of the connections process.

Provide revised connection offers in line with CP2030 and beyond

We are working closely with networks and industry to develop a reformed queue mechanism that will create a more co-ordinated and efficient process for connections design. This will ensure viable, net zero-aligned projects can connect more quickly. The reformed process will align the connections process more closely with strategic planning, offering developers certainty that ready projects, needed to meet clean power and net zero goals will be prioritised and connected without delay.

Reforming the connections process offers significant benefits. We expect to reduce the current connections queue to about a third of its current size and accelerate connection dates for viable projects aligned with CP2030. This will support efficient and economic anticipatory network investment. Aligning connections with future strategic energy needs will also help reduce costs for consumers, encourage innovation and promote economic growth.

Our consultations earlier this year on the required code modification (TMO4+)¹¹ and the proposed new methodologies provide further details, including alternative options considered and the specific benefits of connections reform.

¹¹ [Connections Reform | National Energy System Operator](#)



Subject to Ofgem's decision, expected before the start of BP3, we will work with networks and industry to implement the code modifications and the new methodologies.



Implement approach and accelerate demand connections

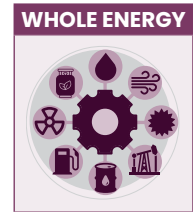
Our work on connection reform has highlighted the need for a different approach to demand connections compared to generation connections. Before the start of the BP3 period, we will collaborate with Ofgem and the government to develop a strategy for demand connections. This will ensure critical infrastructure can be built and operationalised promptly, supporting the growth of Great Britain's economy.

During BP3, we will seek to implement an agreed approach to improve connections dates for demand connections compared to what was achievable before reform.



Performance Objective: Fit-for-Purpose Markets

NESO will support the government in making informed decisions on policy and market reform across the whole system. We will also continue to reform our own markets to level the playing field and deliver value to consumers.



As an organisation, we are committed to ensuring that consumers have access to reliable and affordable energy while also promoting cleaner, more sustainable energy sources. Through market reforms developed in ongoing collaboration, we aim to create energy markets that respond to evolving needs and align with government policies for a low-carbon future.

This Performance Objective contributes to lower bills for consumers by delivering markets that increase access and competition while significantly reducing energy and infrastructure costs. It supports net zero by creating market arrangements that accelerate decarbonisation, ensuring we can use low-carbon assets to operate the system and can respond to current and future low-carbon energy policies.

It also improves industry coordination by enhancing industry codes, regulations and frameworks to facilitate the transition to zero-carbon in a more efficient way. Improved coordination will also result from setting a strategic direction and priorities for the gas market and the whole energy market strategy.

Additionally, this objective supports system security and reliability by delivering markets that enable the safe and reliable operation of the system.

Benefits will start to be realised during the BP3 period as new products are delivered and reforms progress. The benefits will also extend into the medium and long term as increased competition and access drive an efficient transition to zero-carbon. The gas and whole energy system strategies will also deliver their benefits over longer timeframes.

Table 6: Summary of Performance Objective 'Fit-for-Purpose Markets' Major Deliverables and Success Measures







 Key Performance Indicators	 Target
Volume of services procured non-competitively.	<ul style="list-style-type: none"> Reactive: 95% Frequency Response & Reserve: 20% Constraints: 55%
 Major Deliverables	 Success Measures
Deliver quality analysis required for the REMA programme to reach a successful conclusion and move into the implementation phase.	Evidence engagement with a broad range of customers and clearly demonstrate how their feedback has been fully considered in our work.
Deliver against our <i>Markets Roadmap</i> .	<ul style="list-style-type: none"> Improved capability to manage frequency, and a level playing field for response providers. Streamlined procurement processes for ancillary services, such as stability and reactive power. Improved access for demand side flexibility in our markets, such as slow reserve, in line with our <i>Routes to Market Review</i>.



Table 6: Summary of Performance Objective 'Fit-for-Purpose Markets' Major Deliverables and Success Measures (continued)

 Major Deliverables	 Success Measures
Publish the first draft <i>Gas Future Markets Plan</i> for consultation and review (winter 2025).	We will lead and set the direction of the Future of Gas Steering Group and Forums which will support in providing a review done with effective industry engagement.
We will engage with decision-makers and customers across energy vectors to move towards greater whole energy market coordination, collaborating to assess and prioritise our activities.	Evidence engagement with a broad range of customers and clearly demonstrate how their feedback has been fully considered in our work to develop proposals in areas where there is benefit from improved whole energy market design coordination.
As Code Administrator for the CUSC, Grid Code, STC and SQSS, NESO will ensure that these codes are administered in an independent, fair manner in accordance with CaCOP standards.	Positive feedback from our Independent Panel Chair, Panel Members and industry in relation to our performance as Code Administrator.
First Early Competition pre-qualification launched by the end of 2025 and Invitation to Tender launched by the end of March 2026.	Deadlines met with sufficient market interest to run an effective procurement event.

KPI: Volume of services procured non-competitively

Electricity markets are growing and diversifying rapidly. With advancing technologies and new business models emerging, it is vital to create an environment where all market participants can compete on a level playing field to provide solutions to network challenges.

To promote competition effectively, we need to ensure that the right frameworks and platforms are in place. Opening markets will encourage innovation and increase competition, which will translate into lower bills for consumers. We propose to retain this key metric from BP2 as our KPI for this Performance Objective, with benchmarks aligned with BP2 across the following categories: frequency response and reserve, reactive power, and constraints. These categories are grouped by service area rather than individual markets to provide a holistic view of comparable products and markets. They include all regularly held markets open to prequalified providers and any procurement involving an open and competitive tendering process.

These targets reflect our ongoing commitment to transitioning as much of our balancing service procurement activity as possible into competitive markets. The targets have been set based on an estimate of how our deliverables and developments will affect the markets.

This approach will benefit consumers by ensuring we aim to procure the optimal volume of balancing services through the lowest-cost methods.

For the purpose of this metric, a service is not considered competitively procured if a service provider is awarded a contract with minimal or no competition (as opposed to a fully accessible procurement event or auction, for example).



Review of Electricity Market Arrangements (REMA)

The review of electricity market arrangements, led by government, aims to identify the reforms needed to transition to a decarbonised, cost-effective and secure electricity system. Its objective is to evaluate existing market arrangements and pinpoint areas for improvement or modification to align with decarbonisation, cost efficiency and system security goals. REMA covers all electricity markets, including wholesale and balancing markets, as well as investment policy such as the Contracts for Difference (CfD) scheme and Capacity Market.

We are leading the workstream on dispatch and balancing, where we are concluding our options analysis and will present our recommendation based on our findings. DESNZ plans to complete the REMA policy development phase by mid-2025.

We will continue to engage with industry on these models and continue to evaluate how they interact with other REMA decisions, such as potential changes to access rights, network charging and the CfD scheme.

Our work will support the government in reaching a final decision in 2025 as to what market changes are needed. When that decision is made, it may trigger the beginning of transformational changes to the electricity market in Great Britain, which will require us to quickly ramp up our capability to begin implementation. At this stage, the REMA decisions remain too uncertain to plan or budget for, so we will wait until a decision is made in 2025 before sanctioning the necessary resources and budget for the next phase.

Markets Roadmap

Reforming our ancillary service and balancing markets is crucial to delivering a clean, secure and operable electricity system by 2030. These reforms will not only support the transition to a cleaner energy system but also help lower costs for consumers by improving market efficiency, accessibility and liquidity.

We recognise the importance of ancillary services, flexibility and balancing markets as significant revenue streams for market participants. It is therefore essential for us to provide a clear view of our requirements and market developments.

The NESO *Markets Roadmap* serves as a guiding document, outlining our market objectives, principles and plans for market reform. By explaining the rationale behind new market initiatives, we will give market participants the information and confidence needed to actively engage in these markets. This transparency and clarity helps create a collaborative environment where all customers can influence the future of our markets.

The *Markets Roadmap* outlines how our market reforms align with the goals of operating a zero-carbon electricity system, as set out in our *Operability Strategy Report*, and improving market efficiency. It provides our vision for response, reserve, thermal, voltage, stability, restoration markets and the Balancing Mechanism.

To deliver these reforms, we will:

- improve capability to manage frequency and ensure a level playing field for response providers
- implement streamlined procurement processes for ancillary services, such as stability and reactive power



- improve access for demand-side flexibility to our markets, such as slow reserve, in line with our *Routes to Market Review*.

Gas Future Markets Plan and future of gas steering group and forums

Publishing and delivering the *Gas Future Markets Plan* will outline the strategic direction and priorities for the gas market, accounting for the evolving energy landscape. This plan will prioritise projects needed for a strategic shift towards whole system thinking, including methane, bio-methane, hydrogen and carbon capture.

We can drive the transformation towards whole energy thinking by coordinating engagement with gas market customers and leading the development and implementation of the gas market strategy. Through collaborative forums, strategic planning, and independent publication of the *Gas Future Markets Plan*, we can contribute to the evolution of the gas market and its alignment with the broader goals of a sustainable and decarbonised whole energy system.

Coordinate engagement with gas market customers and drive action on gas market strategy:

This involves actively engaging with gas market customers and taking actions to advance the gas market strategy.

- **Lead and establish the future of gas steering group and forums:** We will set a new direction for these initiatives. For the first time, we will also independently publish and deliver the *Gas Future Markets Plan*, prioritising projects that support a strategic shift towards whole system thinking.
- **Provide guidance on optimising and designing markets for gas, hydrogen and electricity:** This includes identifying opportunities to enhance market efficiency and effectiveness in these areas, ensuring a coordinated and integrated approach to the whole energy system.

We will actively coordinate engagement with gas market customers, including industry participants and Ofgem. This includes leading and setting the direction of the Future of Gas Steering Group and Forums, facilitating discussions and gathering input to drive action on the gas market strategy. We will also take a leadership role by setting priorities and identifying projects that drive a strategic shift towards whole system thinking.

Our focus will be on aligning the gas market strategy with the broader whole energy market strategy and promoting the transition to a sustainable, decarbonised energy system.

The Future of Gas Steering Group and Forums platforms will provide opportunities for collaborative discussions, knowledge sharing and customer engagement on the future of the gas market.

Whole Energy Market Strategy

The Whole Energy Market Strategy will develop an independent view of cross-vector market interactions. The primary focus is to identify and recommend solutions to address challenges, conflicts, and inefficiencies in the energy markets, with the ultimate goal of facilitating the transition to a net-zero energy system.

Phase 1 was dedicated to developing the case for change. This phase included an analysis of the market landscape in Great Britain and a review of international case studies to establish a framework guiding the next phases of work. The framework outlines priorities and areas of focus, serving as a roadmap for more detailed analysis and strategy development.



Subsequent phases will involve more detailed analysis on the priorities identified in Phase 1. The case for change will include examining specific market interactions, regulatory frameworks, policy considerations and technology integration, among other factors to develop targeted strategies and solutions addressing identified challenges and inefficiencies in the energy markets. The Whole Energy Market Strategy will engage on the outputs of its Case for Change to gain industry feedback on key focus areas that could benefit from greater market coordination.

Industry codes and frameworks

As part of our commitment to future-proofing industry codes, regulations and frameworks, we will continue to be a technical expert and code administrator. This will involve actively monitoring and analysing regulatory developments and industry codes to identify opportunities for futureproofing by staying informed about emerging trends, policy changes and technological advancements impacting the energy industry. This also involves incorporating mechanisms for iterative improvements, accommodating technological advancements and enabling customer-driven change to ensure our frameworks can evolve in response to changing needs and circumstances.

Through regulatory monitoring, customer engagement, flexibility, innovation and continuous improvement, we can ensure that the regulatory environment supports customer-driven transformation and enables the energy industry to adapt to evolving needs and aspirations.

- **Connection-related codes changes:** We will deliver all necessary changes to the connection-related codes. This includes ensuring they are up to date, aligned with industry needs and capable of accommodating future changes in the energy landscape.
- **Strategic Alignment with Ofgem:** We will work closely with Ofgem to ensure strategic alignment on framework changes. This will ensure that our efforts meet regulatory requirements and contribute to the overall objectives of the energy industry.
- **Transmission charging reform:** We are committed to delivering the transmission charging reform. This involves reviewing and updating existing charging mechanisms to ensure fairness, efficiency and transparency in the transmission network.

By actively seeking and incorporating industry feedback, we can ensure that our codes changes process is well-received and aligns with the industry's needs and expectations.

The benefits of the codes changes process will be demonstrated through positive industry feedback. We will actively engage with industry customers to gather feedback on the codes changes we implement. This input will help us assess the effectiveness and impact of the changes and make any necessary adjustments.

First tender event commenced for a competitively appointed transmission licence

The award of a competitively appointed transmission licence will be through a procurement process, where a preferred bidder is granted a licence to build assets typically constructed by transmission owners (TOs). The successful competitively appointed transmission owner (CATO) will be licensed to construct, own and maintain new onshore electricity transmission assets in Great Britain. Our role in this procurement event, often referred to as early competition, is to identify suitable projects and run the tender event.

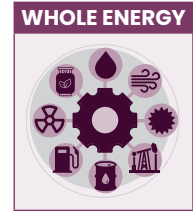


Ofgem is expected to consult, before the end of the BP2 period, on the first project considered viable for competition. Following the consultation, during BP3 we expect to move into the pre-tender market engagement phase, followed by the pre-qualification of bidders by the end of 2025, with Invitations to Tender sent to qualified bidders by the end of March 2026. For further details, visit [Early competition](#) on our website.



Performance Objective: Secure and Resilient Energy Systems

NESO will bring a whole-energy system approach to ensuring energy security and resilience for Great Britain.



A resilient and secure energy system is the foundation of our way of life, supporting economic stability, and facilitating the transition to a sustainable future. Great Britain requires reliable energy to run essential services, support economic growth, protect the vulnerable and minimise disruption.

While the UK has one of the most reliable systems in the world, technology continues to evolve at a rapid pace and the threat of geopolitical uncertainty remains ever present. Russia's illegal invasion of Ukraine in 2022 and its effects on the energy supply chains was a stark reminder of the need to maintain a diverse and resilient energy system. During the BP3 period, we will continue identifying emerging threats and potential disruptions before they materialise.





The introduction of the Resilience and Emergency Management role for NESO formalises our whole-energy remit, providing a whole system perspective on resilience and how it interacts with other critical functions. We will assess and enhance the resilience and security of energy networks by understanding current risks, identifying future risks and addressing known threats and vulnerabilities. By identifying opportunities for improvement and learning from our experiences, we can put mitigation plans in place for the future.

We prioritise energy security of supply across different time horizons, ranging from next day, to next season, to next decade. This ensures a comprehensive approach to maintaining a secure and reliable energy system in Great Britain. We are utilising our modelling expertise to derive key insights that inform our advice to the government and Ofgem on security of supply. This includes providing recommendations on the electricity Capacity Market and sharing information with the industry through publications like our *Winter and Summer Outlook Reports*. Our collaborative work with industry and other partners helps identify and recommend improvements.

We will also examine the energy industry's emergency response preparedness and submit our seasonal readiness reports to the government and the regulator. As part of our commitment to emergency response preparedness, we will conduct assessments to evaluate the readiness of industry customers. These assessments aim to enhance the industry's emergency response preparedness and ensure a coordinated, effective response in times of crisis.

This Performance Objective will deliver benefits by ensuring system security and reliability through maintaining and enhancing our approach to managing and mitigating risks to the electricity system, and expanding it to the whole energy system under our new NESO role. This will ensure that we, the industry and the government are prepared to mitigate present and future risks, providing consumers with an energy system they can depend on. Benefits will begin to materialise during the BP3 period as we address potential challenges in the coming year and implement recommendations for resilience and restoration, delivering results in the medium and long term.

Table 7: Summary of Performance Objective ‘Secure and Resilient Energy Systems’ Major Deliverables and Success Measures

 Key Performance Indicator	 Target
Deliver Electricity System Restoration Standard to restore 100% of Great Britain’s electricity demand within five days.	95% of capability and arrangements in place to meet the Standard.
 Major Deliverables	 Success Measures
Produce the first <i>Energy Resilience Assessment</i> by 30 June 2025.	Evidence engagement with a broad range of customers and clearly demonstrate how their feedback has been fully considered in our work.
Publish the <i>Summer and Winter Outlook Reports</i> by 30 April 2025 and 31 October 2025.	Evidence of collaboration with industry partners to ensure ‘no surprises’.
Submit to DESNZ and Ofgem the <i>Summer and Winter Readiness Reports</i> by 30 April 2025 and 31 October 2025.	
Publish the <i>Gas Supply Security Report</i> by 31 October 2025.	Recommendations of the <i>Gas Supply Security Report</i> are evidence-based that consider the impact on the whole energy system and are adopted by government/Ofgem.
Submit the <i>Electricity Capacity Report</i> to DESNZ by 1 June 2025.	Recommendations in the <i>Electricity Capacity Report</i> are adopted by government. DESNZ’s Panel of Technical Experts remark positively on the quality of the modelling in their published report.
Deliver the programme to look at the longer-term resilience of our control operations.	Due to sensitive nature of the work, success measures will be agreed directly with Ofgem.

KPI: Deliver Electricity System Restoration Standard (ESRS) to restore 100% of Great Britain’s electricity demand

The new ESRS requires NESO to have sufficient capability and arrangements in place to restore 100% of Great Britain’s electricity demand within five days. This must also be implemented regionally, with an interim target of restoring 60% of regional demand within 24 hours. We must ensure full compliance with this Standard by no later than 31 December 2026.

To meet the deadline, we will need to review our restoration plans and procure additional restoration services from both traditional and non-traditional sources. Several actions are already underway to ensure compliance, including modifying regulatory frameworks to accommodate



ESRS and revising the restoration strategy. This revised strategy will integrate top-down and bottom-up restoration approaches, providing a more holistic framework for system recovery.

The Restoration Decision Support Tool is designed to aid faster restoration times in line with customer expectations and licence obligations. This tool will include features to assess system conditions, prioritise restoration actions and optimise resource allocation during the restoration process. This marks an important milestone in improving restoration efficiency and effectiveness. It will provide valuable guidance and support to industry customers, enabling informed decision-making and streamlined restoration efforts.

By implementing the Restoration Decision Support Tool, we aim to improve the overall resilience and reliability of the energy system. The tool will facilitate faster and more efficient restoration, minimising downtime and disruptions for end consumers and ensuring the safety of personnel involved in the restoration process. The *Electricity System Restoration Assurance Framework* will be produced to demonstrate compliance with the Standard.

By March 2026, we will have 95% of the required capabilities and arrangements in place to meet the Standard, ensuring substantial progress toward full compliance by the December 2026 deadline.

Producing the first Energy Resilience Assessment

We will develop an *Energy Resilience Assessment* report that evaluates the resilience of the whole energy system. The first assessment will focus on risks to the electricity system and will be submitted by 30 June 2025. Subsequent reports will focus on risks to both the electricity and gas systems, proposing mitigation measures to help improve system resilience. It will be an all-source assessment of key risks, including those posed by severe weather, malicious threats and the energy transition to net zero. We will engage with a broad range of customers and clearly demonstrate how their feedback has been fully incorporated into our work.

Publish the Summer and Winter Outlook Reports

We will deliver the *Winter and Summer Outlook Reports* providing reassurance that risks to reliable energy supplies are mitigated, enabling the industry to take proactive steps, such as ensuring asset readiness. The *Winter Outlook Report* will be delivered each autumn, with an *Early View* released in the summer, while the *Summer Outlook Report* will be delivered each spring. Publishing these reports regularly provides industry customers with valuable insights to support decision-making and ensure the efficient, reliable operation of the energy system throughout the year. This iterative approach allows us to adapt and respond effectively to evolving challenges, continuously improving emergency readiness.

Submit the Winter and Summer Readiness Reports

We will assess whole-energy industry readiness and preparedness for the summer and winter periods in cooperation with electricity and gas customers. This process will provide insights and analysis on industry readiness and preparedness ahead of each season, enabling NESO, DESNZ and Ofgem to develop a shared understanding of challenges and support coordinated action. We will submit the *Winter Readiness Report* by 31 October and the *Summer Readiness Report* by 30 April.



Publish the Gas Supply Security Report

We will develop the *Gas Supply Security Report*, which will provide an understanding of risks to reliable gas supplies and their impact on the whole energy system in the context of the transition to net zero. Working closely with customers, including National Gas Transmission, we will focus on the gas supply outlook and potential challenges over the next 5 to 10 years. The report will be published by 31 October 2025, with recommendations provided to the government and Ofgem. The report will assess potential risks to reliable gas supplies and include recommendations to mitigate their impact on the whole energy system. This will enhance resilience and ensure a smooth transition to a net-zero future while adapting to the impacts of climate change. The recommendations of the *Gas Supply Security Report* are evidence-based, considering the impact on the whole energy system. If successful, these recommendations will be adopted by the government and Ofgem.

Submit the Electricity Capacity Report to DESNZ

We will enhance our modelling capabilities and provide recommendations to support the electricity Capacity Market by publishing the *Electricity Capacity Report*. Submitted to DESNZ by 1 June each year, this report will provide continuous improvements in modelling to accurately reflect an evolving and increasingly complex system. It will also outline Capacity Market recommendations recognised and supported by DESNZ's Panel of Technical Experts, demonstrating how to better assess and mitigate risks and deliver value to consumers. Capacity Market remains the government's primary mechanism for ensuring security of supply and our modelling underpins recommendations to achieve this. If successful, recommendations in the *Electricity Capacity Report* will be adopted by the government, and we aim for DESNZ's Panel of Technical Experts to provide positive feedback on the quality of the modelling in their published report.

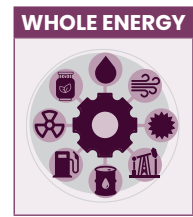
Deliver the programme to look at the longer-term resilience of our control operations and the establishment of a new contingency control centre

Due to the sensitive nature of this programme, we will not be providing detailed information in the business plan for security reasons. However, we will work closely with Ofgem to ensure effective outcomes and efficient spending on this project.



Performance Objective: Clean Power 2030 Implementation

NESO will play a pivotal role in securing clean power for Great Britain by 2030 on the path to net zero by 2050. Building on our 2024 advice to government on pathways to a clean, secure, operable and deliverable electricity system, we will move to action and implementation in line with the government's CP2030 action plan.



In November 2024, we published our [Clean Power 2030](#) report, outlining what is required to deliver a clean, secure and operable electricity system by 2030. The plan considered possible clean energy generation mixes and their associated network, market and operability requirements, referred to as pathways. To create these pathways, we modelled different energy supply and demand mixes, and stress tested these against a range of scenarios, including varying weather patterns and demand peaks. The mixes included different levels of renewable deployment, flexibility and the accelerated delivery of newer low carbon technologies, for example CCUS.

The pathways met the security of supply standard, involved efficient dispatch, and met clean power in 2030 against the definition agreed with the UK government. We then used these different energy supply and demand mixes and analysed their associated networks, markets, and operability requirements. Many of the required electricity network and energy generation types to meet the government's 2030 target are already in development; however, significant acceleration in their rollout will be required. Therefore, we assessed what is needed to accelerate in-progress generation types and network projects, as well as the requirements for them to succeed.

Our live reforms to the grid connection process, known as TMO4+, continue to run in parallel to the development of this plan as the reforms provide the framework to reset the connections queue. Further detail on the connections specific work can be found in the Connections Reform Performance Objective on page 34.

The government has indicated that, following the publication of NESO's advice, it intends to publish its own 'pathway' by the end of 2024, informed by this advice and its own internal modelling. This will likely establish sensible ranges of capacity deployment for necessary technologies and form the basis of the government's strategy for reaching CP2030. Ofgem has also indicated that it will use our advice to make key decisions on network investment. Following the publication of our advice, the next steps will involve detailed design work by those responsible for infrastructure delivery, market changes and regulatory decisions.

Ahead of the government's decision on the chosen pathway, we will ensure readiness for implementation. Given the key decisions expected in the coming months, we anticipate proposing Major Deliverables and Success Measures as part of our final plan, to be published in February 2025. We will ensure these are specific, measurable and contribute towards the overall Performance Objective.

This Performance Objective delivers benefits by supporting net zero through clear pathways that identify the actions required to deliver clean power by 2030, including how they interact with our other Performance Objectives.

Table 8: Summary of Performance Objective ‘Clean Power 2030 Implementation’ Major Deliverables and Success Measures

 Key Performance Indicators	 Target
Comprehensive NESO 2030 <i>Delivery Plan</i> consulted upon and published.	100% required strategies in place.
 Major Deliverables	 Success Measures
Implement Capacity Market and Contracts for Difference regimes for CP2030 and operate the markets effectively.	Continue to work with DESNZ and Ofgem in shaping policy improvements and implement them successfully in our processes and systems in time for Contracts for Difference AR7 in June 2025 and Capacity Market 2025/26 round.
Progress work to enable the realisation of the demand side flexibility required to achieve CP2030, including through NESO markets.	Collaboration and developing plans.
Working with network owners and operators to develop an outage approach that ensures all CP2030 related new infrastructure can be commissioned prior to 2030 (<i>2030 Clean Power System Outage Strategy</i>).	Approach developed, consulted upon and moved into delivery governance.
Deliver plan to ensure CP2030 Clean Power System can be operated in real time, taking into account processes, procedures and IT infrastructure (<i>2030 Clean Power System Operating Strategy</i>).	Plan developed, consulted upon and moved into delivery governance.

KPI: Comprehensive NESO 2030 Delivery Plan consulted upon and published

We will play a central role in delivering clean power. Implementing the government’s plan for clean power by 2030 will require coordinated action across the energy industry and its institutions, with NESO working as a partner with the government, Ofgem and key decision-makers. This includes supporting Energy Code Reform, developing our implementation and engagement plans, and reviewing our operations to ensure alignment with the plan. During BP3, we will develop, consult upon and publish our *2030 Delivery Plan*.

Implement Capacity Market and Contracts for Difference regimes for Clean Power 2030 and operate the markets effectively

In our role as the Electricity Market Reform Delivery Body, we will continue to administer the Capacity Market (CM) and Contracts for Difference (CfD) schemes on behalf of DESNZ and Ofgem, in line with the Rules and Regulations.



As part of our NESO role as a trusted advisor to the government, we will support DESNZ and other delivery partners to ensure the CM and CfD schemes remain fit for purpose and accelerate progress toward clean power by 2030. This will be achieved by increasing participation and competition in these regimes. We will also provide expert advice on scheme design and implement final regulatory and policy changes in our CM and CfD portals and processes.

Where opportunities arise to improve the Rules by simplifying and reducing ambiguity, we will raise them with DESNZ or the industry-led CM Advisory Group.

Following the successful launch of our new CM Portal for the 2025 auction round, we will continue collaborating with customers to identify, prioritise and implement enhancements to improve their experience. Additionally, we will conduct a review to explore alternative delivery options for the CfD Portal to improve user experience.

We will work with DESNZ and Ofgem to shape and implement policy improvements in time for the Contracts for Difference AR7 in June 2025 and the Capacity Market 2025/26 round.



Progress work to enable the realisation of the demand-side flexibility required to achieve Clean Power 2030, including through NESO markets

Market design must ensure that flexibility is sufficiently rewarded, with markets that are open and accessible. Demand-side flexibility can play a crucial role in operating the electricity system. Therefore, we need to ensure that demand-side flexibility can compete in markets where it can meet system operability needs.

We will publish our *Routes to Market Review for Demand-Side Flexibility* report during BP3, which will expand on our commitments.



Develop outage approach to ensure all CP30-related new infrastructure can be commissioned prior to 2030

A more strategic approach to system access planning across industry will be required to provide assurance around the deliverability of clean power by 2030 and to address network access challenges within timescales where there are more options available to minimise costs. Alongside providing the maximum amount of system access through an optimised plan over multiple years, action should also be taken to maximise the work completed within each outage window. Additionally, less intrusive methods, such as off-line builds and temporary lines, will be necessary.

Spatially, some outages in specific regions of the network can cause system constraints, reducing the amount of generation capacity that can be transferred from one area to another. To manage this and ensure the power system remains secure and efficient, we operate within a market to either reduce or increase generation in one area and balance that action in another.

It is essential that outages on electricity network assets are planned and coordinated effectively to ensure that new connections and equipment are delivered in an optimised way. This will allow as many projects as possible to be accelerated and delivered, while also minimising the associated constraint costs.



Assessing the operability challenges and solutions for operating a clean power system

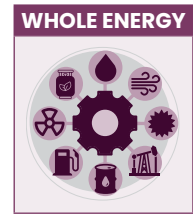
Managing operability in a clean power system will require different and innovative approaches. We have begun making these changes and will work collaboratively with the industry during BP3 to develop and implement them. This will enable us to run the future clean power system securely and efficiently.

Operating a low-carbon electricity network requires us to build on our previous work to enable zero-carbon operation for a few hours in 2025. In our *Operability Strategy Report*, which will be updated between January and March 2025, we outline the technical challenges and solutions required to operate a clean power system in 2030 and beyond. This report is updated annually to reflect ongoing progress and developments.



Performance Objective: Separated NESO Systems, Processes and Services

NESO will enable pace in its business operations and delivery through a successful exit from transitional arrangements with National Grid and by implementing NESO-specific digital infrastructure, systems and services.



Establishing NESO as a new corporation requires significant change, including uplifting capability to ensure foundational services such as security, enterprise networks, digital workplace and end-user services, digital platforms such as cloud, and core systems for Finance, People, Procurement and DD&T/Enterprise are physically separated from National Grid. This separation will create autonomy, pace and enhance user and customer experience, enabling a swift exit from transitional arrangements.

Ahead of Day 1, activities were undertaken to expedite separation. Our new platforms for IT Service Management and cloud have been built, and the logical separation of our data in National Grid's Enterprise Resource Planning (ERP) platform and connected applications has been completed.

A key factor in our success is the parallel delivery of new technologies via modern platforms and architecture, while transforming our capabilities to operate at speed and improve user and customer experience. This must be achieved while minimising risk and impact to our core operations. Establishing the technology and process foundations for an independent NESO, with fit-for-purpose capabilities, will deliver significant benefits.

Implementing our own systems will provide the opportunity to deliver fit-for-purpose, data-driven capabilities, processes and systems. By leveraging SaaS and cloud options, we will gain valuable insights through AI and ML (machine learning) capabilities, driving greater efficiency and improved decision-making. This will enable more efficient delivery of services to both the business and our customers. Additionally, it will enhance industry coordination by delivering data-driven solutions that support efficient service delivery within NESO and across the wider industry.

Software-as-a-service (SaaS) platforms will provide a stable and secure application suite, incorporating the latest capabilities and functionality to reduce technical debt and improve user experience. Modern, scalable and adaptable platforms will enable us to increase the velocity of feature releases, reducing time-to-value.

System security and resilience are at the forefront of our agenda. Investments in cybersecurity capabilities will align with our enhanced security objectives and obligations, positioning us as a leader in supporting Great Britain's energy industry to strengthen its overall security posture.





Cost reduction will be achieved by transitioning services provided through the National Grid Shared Service Model to our ownership. While this will be offset by incremental 'run the business' costs to provide and maintain our standalone infrastructure, we anticipate a net benefit. For example, establishing our Vendor Management Office (VMO) will enable effective third-party service delivery and performance management. This will be achieved by developing and implementing vendor selection strategies, establishing performance metrics and KPIs to objectively assess vendor performance, negotiating favourable contract terms, and managing costs to ensure value for money from third-party services.



Cost avoidance will result from parallel systems implementation and business process transformation. Allowing us to avoid a 'double hop' (physical separation of existing platforms followed by transformation). This approach will generate long-term efficiency, operational benefits and future value.

These benefits will begin to materialise during the BP3 period as physical and cyber security, foundational services and systems transition from National Grid, in line with Transitional Service Agreement (TSA) exit plans. See below.

Table 9: Summary of Performance Objective 'Separated NESO Systems, Processes and Services' Major Deliverables and Success Measures*

 Key Performance Indicators	 Target
Services no longer on Transitional Service Agreements (TSAs).	60% of services will be exited from the TSAs by the end of March 2026.
 Major Deliverables	 Success Measures
Transition of physical and cyber security from National Grid.	Strategic SOC (Security Operations Centre), SIEM (Security Information & Event Management), Digital Forensics & Threat Intelligence in place by March 2026.
Delivery of NESO's foundational services such as separation of enterprise networks, digital workplace, digital platforms and service desk.	<ul style="list-style-type: none"> NESO network physically separated from National Grid by December 2025 All users & devices shifted to NESO infrastructure by January 2026 Digital platforms and majority of applications migrated to NESO environment by March 2026
Transformation of systems and data for People including Payroll, Finance and Procurement used across NESO.	People, Payroll, Finance & Procurement SaaS platforms implemented – technical implementation completed by March 2026.

*Note: All dates are subject to agreement with National Grid on the baseline TSA exit plan in January 2025.

KPI: Reduction in transitional services from National Grid in line with TSA exit plans

We aim to exit the Transitional Service Agreements (TSA) with National Grid as early as practical, while ensuring there is no risk to ongoing service provision. This position is fully supported by National Grid.

Detailed separation plans are being developed to feed into comprehensive TSA exit plans. Both separation and TSA exit plans are aligned with National Grid to identify technical interdependencies and ensure delivery viability. These plans are also subject to formal governance.

We have already implemented our core cloud platform, enabling the migration of cloud-hosted applications from National Grid's environment to ours. The physical separation of our enterprise



network from National Grid is underway and targeted for completion in the first quarter of 2025. Once complete, this will allow us to expedite application, user and device migration, enabling the phased winding down of TSAs during the migration period. This approach aims to reduce service costs efficiently.

Transition of physical and cyber security from National Grid

As part of the separation, we need to design and implement our own physical and cyber security services aligned with NESO's requirements.

Key services to be developed include:

People

- Full implementation of the cyber and physical security operating model while continuing to use a hybrid resourcing approach

Process

- Developing and implementing NESO-specific security and IT policies, standards and control frameworks
- Developing, implementing and testing our security incident response plans
- Developing and implementing our controls assurance program and conducting penetration testing

Technology

- Designing and implementing both a Cyber and Physical Security Operations Centre (SOC) and a Security Information and Event Management (SIEM) solution to detect and respond to suspicious or actual cyber events
- Designing and implementing physical security controls, such as CCTV
- Implementing threat tooling to support our obligations as an Operator of Essential Service (OES) and under our new licence conditions

Transition of foundational services

We need to build our own core technology platforms and supporting infrastructure to remove reliance on National Grid for IT services. This will enable us to provide modern, scalable and reliable capabilities that can respond swiftly to the needs of NESO and external customers.

The scope of this work includes:

- **Networks:** Provision of an enterprise network, including telephony, that is physically separated from National Grid. This will enable user and device migration while improving resiliency and performance.
- **Digital Workplace Services (DWS) and End User Compute (EUC):** Delivery of modern, cloud-based office productivity applications; device management for desktops, laptops and mobile devices; workflow automation; email; collaboration and communication tools (including audio and video conferencing); and a service desk. These services will enhance productivity and efficiency, extend communication and information sharing through modern technology practices and improve the overall user experience.



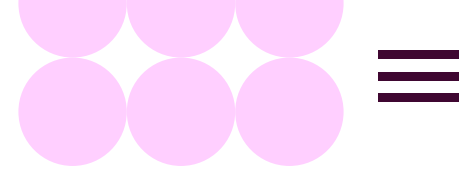
- **Cloud tenancy:** NESO's own cloud tenancy has already been created, facilitating the migration of applications from National Grid's environments. This approach leverages modern cloud technologies to deliver improved scalability, flexibility and security; increased innovation and speed of delivery; more effective collaboration and sharing; automatic updates and integrated backup and disaster recovery capabilities.
- **Application and user migration:** Migration of applications and users from National Grid's data centres and cloud hosting arrangements, enabled by NESO's cloud-first strategy, enhanced DWS and EUC capabilities and support for digital ways of working.
- **Identity and Access Management (IDAM) and Privileged Access Management (PAM):** Establishing advanced IDAM and PAM capabilities to ensure users are granted only the permissions they need. These systems will safeguard sensitive data and systems from unauthorised or malicious access, improve operational efficiency, support regulatory compliance and reduce the risk of both internal and external threats.

Transformation of systems and data for people

An integrated set of systems, platforms and processes will provide a single source of information, increasing data transparency and enabling the generation of insights for timely and accurate planning and decision-making. These systems will also include embedded automated controls to manage, monitor and govern compliance and risk. Our transformation focuses on the following key deliverables:

- **HR Operations and Payroll System:** We will deliver a new HR Operations and Payroll System that is independent from National Grid. This includes the development and standardisation of processes.
- **Fit-for-purpose operating model:** We will create a fit-for-purpose operating model for HR, Finance, Procurement and Foundational Services within the organisation to support our strategic vision and ambitions.
- **Data and technology advances:** Our new systems will leverage SaaS/cloud options and advancements in data and technology, including AI, to enhance user experience and simplify interactions.

People, Payroll, Finance and Procurement SaaS platforms will be implemented, with technical implementation completed by March 2026.



9. Next Steps

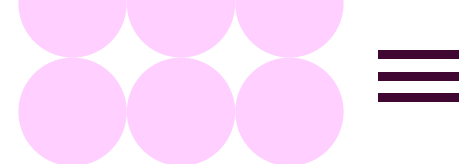
We are seeking views from energy industry customers, as well as anyone with an interest in NESO or who may be affected by our business plan.

Below are some specific questions we would like your feedback on:

- Q1. Do you agree with our proposed package of Performance Objectives? If not, what alternative Performance Objectives should we consider and why?
- Q2. Do you agree that BP3 represents a stretching level of ambition and will deliver benefits for consumers? Please provide supporting reasoning and identify any specific changes to this plan that you believe would better meet these objectives.
- Q3. Have we identified the most important Major Deliverables and relevant Success Measures for each Performance Objective during BP3? Please detail any alternative options we should consider, including anything that you believe we have missed or specific changes to our existing proposals.
- Q4. Are there additional measures or steps you would expect to see to demonstrate our success in engaging with stakeholders and ensuring feedback is fully considered during BP3 activities? Please provide specific examples where relevant.

This consultation is open until **10 January 2025**. Responses should be sent to box.neso.riio2@nationalenergyiso.com and clearly marked if they are considered confidential.





Glossary

Term	Acronym	Description
Activity		A subset of responsibilities within a function.
Ancillary Services Dispatch Platform	ASDP	NESO web-based platform used to dispatch ancillary services.
Artificial Intelligence	AI	Artificial Intelligence is the simulation of human intelligence processes by machines, especially computer systems.
Balancing Mechanism	BM	A platform used to make sure electricity supply and demand are balanced. From one hour prior to real time until the end of a settlement period, NESO can dispatch (or instruct) parties to decrease or increase their generation or consumption.
Business Plan	BP	Details our Performance Objectives, associated Success Measures, Major Deliverables and costs for the Business Plan cycle.
Business Plan 3	BP3	Our final Business Plan covering the last year of the RIIO-2 price control period. This will be delivered between 1 April 2025 and 31 March 2026.
Capacity Market	CM	Introduced by the UK Government as part of the Electricity Market Reform Programme to ensure the future security of our electricity supply. This is achieved by providing a payment for reliable sources of capacity, alongside their electricity revenues, ensuring they deliver energy when needed.
Centralised Strategic Network Plan	CSNP	Our new electricity transmission network planning output, which addresses all load-related planning.
Contracts for Difference	CfD	The CfD scheme is the main mechanism for supporting low-carbon electricity generation. CfDs incentivise investment in renewable energy by providing project developers with direct protection from volatile wholesale prices, while also protecting consumers from high energy costs.
Customer		Anyone impacted by our work, including service providers and communities.
Decarbonisation		The process of reducing carbon emissions, such as those generated by burning fossil fuels.
Delivery schedule		A grouping of deliverables for either a role or the Business Plan in BP2.



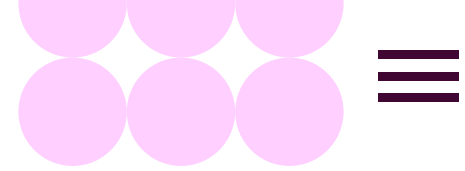
Term	Acronym	Description
Department for Energy Security and Net Zero	DESNZ	A UK government department responsible for delivering security of energy supply, ensuring properly functioning energy markets, encouraging greater energy efficiency and seizing the opportunities of net zero to lead the world in new green industries.
Digitisation		Process of converting information from a physical format into a digital one.
Early Competition	EC	Competition that occurs prior to the detailed design, surveying and consenting phases of solution development. This allows organisations to compete for the design, build and ownership of onshore transmission solutions. Early Competition encourages new ways of working and aims to find the best solutions at a fair cost for consumers.
Enterprise Resource Planning	ERP	A software system that manages and integrates various business processes.
Gas Market Plan	GMaP	To deliver safe and reliable gas supplies at the best value for consumers as we transition to net zero, this plan proactively considers how market frameworks may need to evolve.
Great Britain	GB	A geographical, social and economic grouping of countries comprising England, Scotland and Wales.
Independent Customer Group	ISG	An independently chaired group that scrutinises and challenges our business plans, ensuring they reflect customers' priorities and deliver value for consumers. Members are drawn from a range of experiences across the industry.
Low Carbon Electricity		Electricity produced with substantially lower (or none) greenhouse gas emissions than conventional fossil fuel generation.
Major Deliverable	MD	Specific, measurable and time-bound outputs that are key to achieving the Performance Objectives for the annual Business Plan submission. In most cases, the delivery of these Major Deliverables is expected to include relevant Success Measures.
Markets Roadmap		The Markets Roadmap outlines our market design objectives, principles and transformational process to reform balancing service markets. It includes our vision for response, reserve, thermal, reactive, stability and restoration markets as well as the Balancing Mechanism.
Minimum Viable Product	MVP	A version of a product with just enough features to be usable by early customers, who can then provide feedback for future development.



Term	Acronym	Description
Megavolt-ampere reactive	Mvar	A unit of reactive power in AC electric power systems.
Net zero		Net zero means balancing any carbon emissions created with an equivalent amount removed from the atmosphere.
National Electricity Transmission System	NETS	The high-voltage transmission system operated by NESO.
National Grid Electricity Transmission	NGET	The transmission owner that owns and maintains the high-voltage electricity transmission network in England and Wales.
Office of Gas and Electricity Markets	Ofgem	The UK's independent National Regulatory Authority, a non-ministerial government department whose principal objective is to protect the interests of current and future electricity and gas consumers.
Performance Objective	PO	An annual key outcome or output aligned with our regulatory duties and industry needs, associated with Major Deliverables and Success Measures.
Reactive Power		The component of electrical power used to establish and maintain electrical and magnetic fields in alternating current (AC) circuits. It supports voltage and current levels to maintain system stability and reliability.
RIIO-2		The second regulatory price control period under Ofgem's RIIO model, covering 1 April 2021 to 31 March 2026.
Strategic Priorities	SP	Key outcomes intended to deliver our organisational vision. Strategic priorities extend beyond annual Business Plan submissions and underpin our Performance Objectives.
Strategic Spatial Energy Plan	SSEP	NESO's Great Britain-wide plan for the most efficient mix of electricity and hydrogen technologies to meet net zero and deliver security of supply. It sets out locations, capacities and timings of GW-scale supply, co-optimised with large demand sources and high-level network needs.
Success Measure	SM	Evidence demonstrating how each Performance Objective has been delivered.
Total Expenditure	Totex	The total cost of expenditure relating to licensees' regulated activities.



Transmission Owner	TO	Refers to the three transmission asset owners within Great Britain: National Grid Electricity Transmission, Scottish Hydro Electric Transmission and Scottish Power Transmission.
Term	Acronym	Description
Transitional Service Agreement	TSA	An agreement between the buyer and seller of a company, where the seller provides specified services to the buyer for an agreed period and cost.
Value for Money	VfM	A balance between maximising the benefits delivered from outputs and minimising costs to achieve optimal outcomes.
Virtual Energy System	VirtualES	A NESO-led programme to create an ecosystem of connected digital twins for energy industry customers.
Whole Energy System		The interaction between electricity, gas and liquid fuels, and how these energy sources contribute to delivering net zero greenhouse gas emissions for technology, communications, transport, heat and water.
Zero carbon		Zero carbon means that no carbon emissions are produced from a product or service. For example, a wind farm generating electricity or a battery deploying electricity would be considered zero carbon. Energy sources like wind, nuclear and solar do not create carbon emissions when used to produce electricity, so we refer to these as zero-carbon sources.



Appendix

BP2–BP3 mapping of commitments

Our BP3 Performance Objectives are underpinned by Major Deliverables. However, these do not represent everything we will deliver as NESO. We want to reassure our customers that we remain committed to delivering all our obligations, including continuous and ongoing deliverables from BP2.

Table 10 shows a list of our BP2 activities with ongoing commitments into BP3 and how they broadly map to our Performance Objectives. For a comprehensive review of our commitments, please refer to our BP2 delivery schedule.

Table 10: BP2 activity and Performance Objective mapping

BP2 Role	BP2 Activity	BP3 Performance Objective
1 Control Centre operations	A1 Control Centre architecture and systems	Operating the System
	A2 Control Centre training and simulation	
	A3 Restoration	Secure and Resilient Systems
	A17 Transparency and open data	Digitalisation & Data Sharing
	A18 Market monitoring	Operating the System
	A19 Data and analytics operating model	Digitalisation & Data Sharing
2 Market development and transactions	A4 Building the future balancing service markets	Fit-for-Purpose markets
	A5 Transform access to the Capacity Market and Contracts for Difference	Clean Power
	A6 Develop code and charging arrangements that are fit for the future	Fit-for-Purpose markets
	A20 Net Zero Market Reform	
	A21 Role in Europe	
3 System insight, planning and network development	A7 Network development	Strategic Whole Energy Plans
	A8 Enable all solution types to compete to meet transmission needs	
	A11 Enhance analytical capabilities	
	A12 SQSS review	
	A13 Leading the debate	Connections Reform
	A14 Take a whole electricity system approach to connections	
	A15 Taking a whole-energy system approach to promote zero carbon operability	Operating the System
	A16 Delivering consumer benefits from improved network access planning	Strategic Whole Energy Plans
	A22 Network planning review/offshore coordination	

NESO

Faraday House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA
United Kingdom

Registered in England and Wales
No. 11014226

neso.energy

