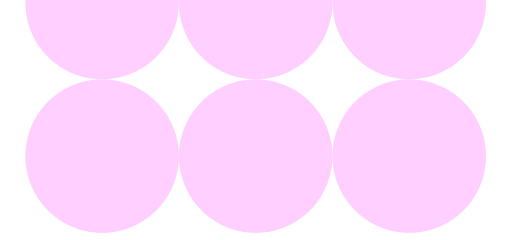


Public

# RIIO-2 Business Plan 3 Draft Summary

Our delivery focus for  
April 2025–March 2026





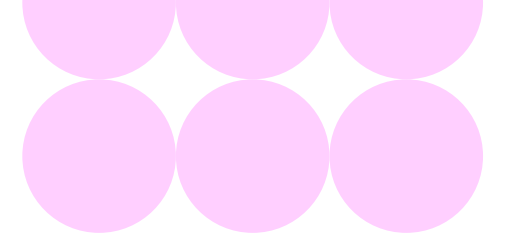
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# Consultation on Our Draft Business Plan

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.

**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](mailto: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:

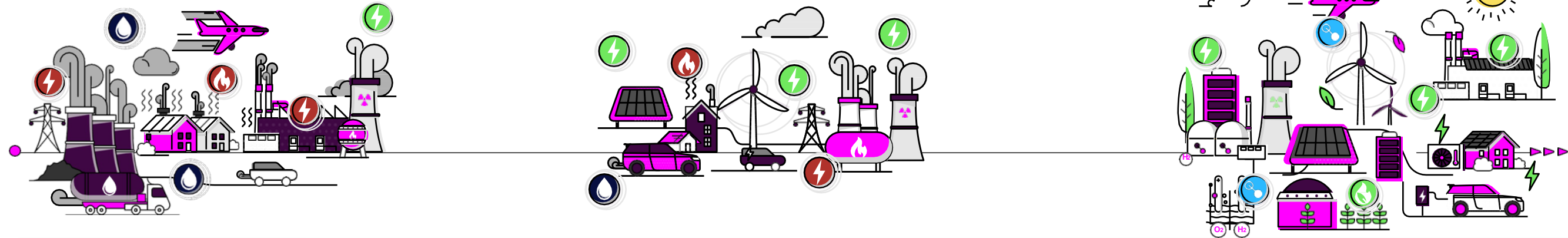
- [Draft BP3 Consultation Webinar Series Launch](#)
- [Clean Power 30 & Whole Strategic Energy Plans](#)
- [Operating the Electricity System & Secure and Resilient Energy Systems](#)
- [Connections Reform & Fit-for-Purpose Markets](#)
- [Enhanced Sector Digitalisation and Data Sharing & Separated NESO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





# 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

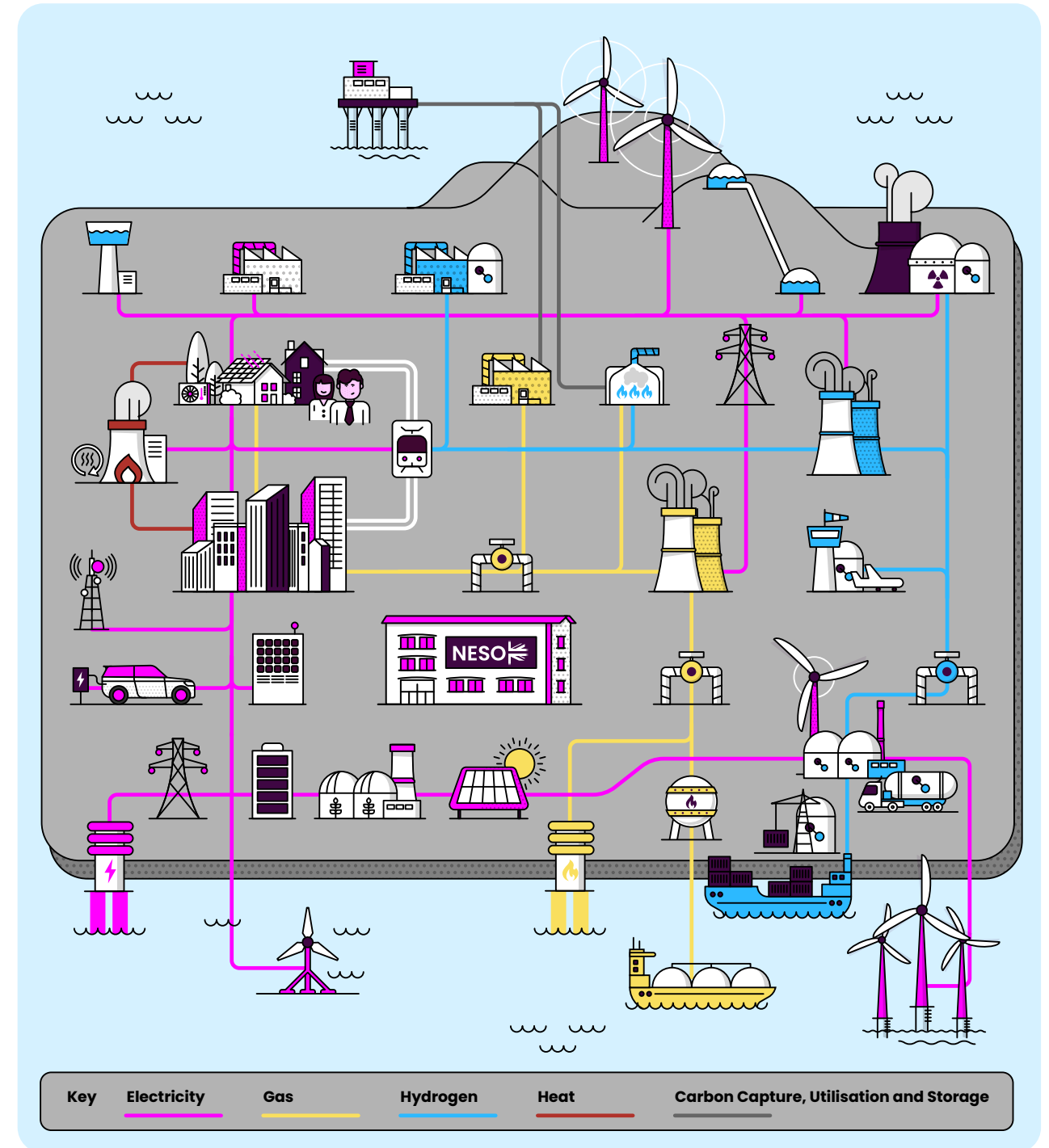
We must work together locally, regionally and nationally to realise the benefits of the energy transition for Great Britain and its people.



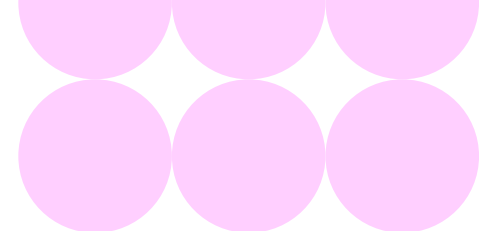
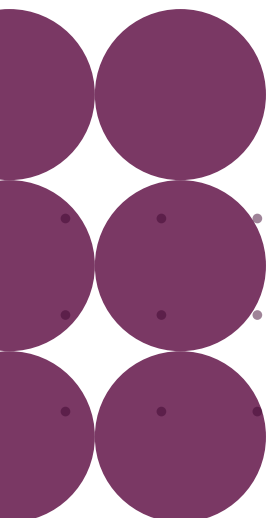
# 2. A Whole System Challenge

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.



This visual 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.

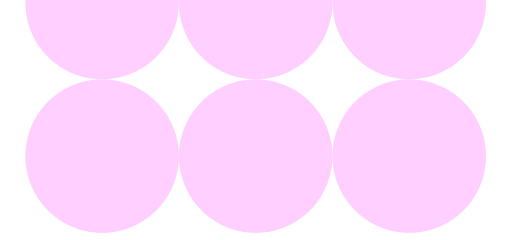
At NESO, we bring an independent, impartial voice to energy system planning and operations, taking a whole system view. We will address interrelated challenges and trade-offs to deliver the best outcomes for energy consumers.

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 the government in delivering a world-leading, integrated approach to energy.

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

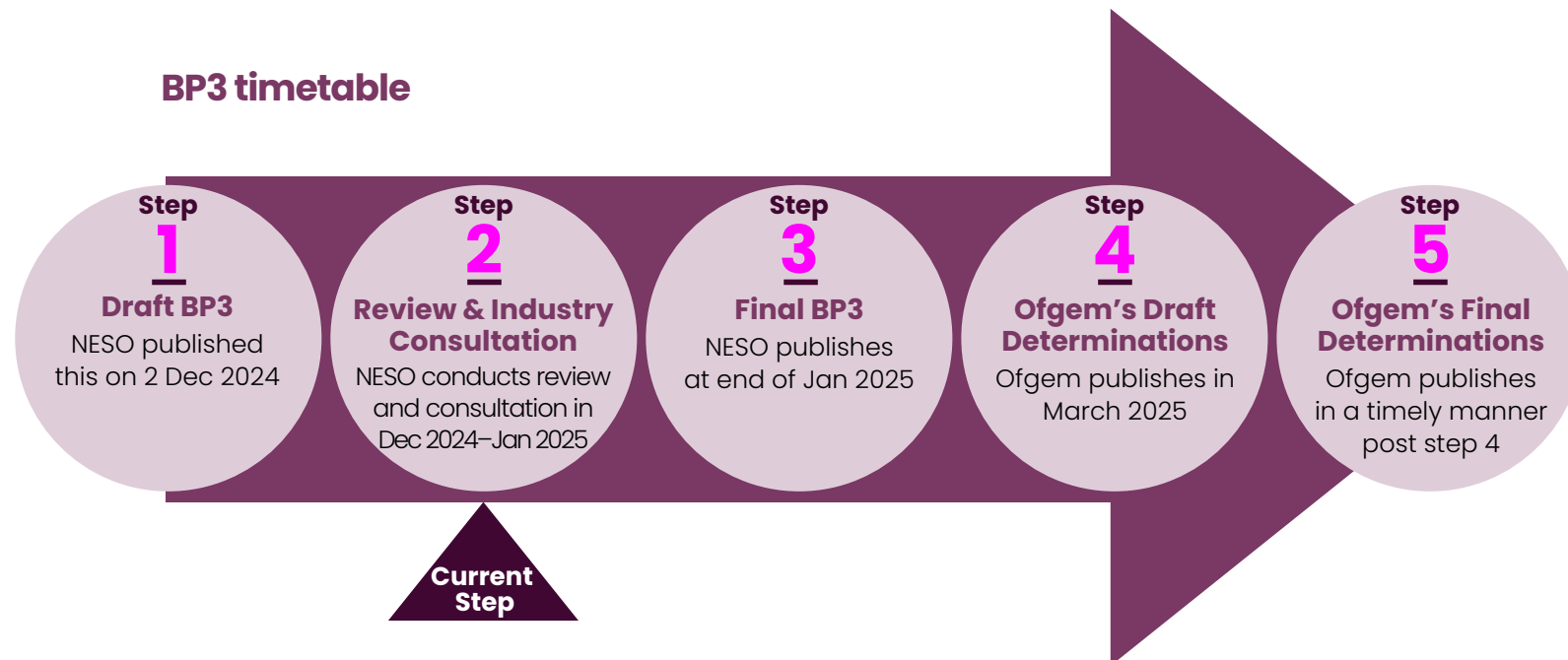




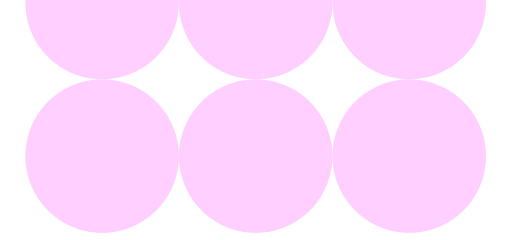
# 4. Our Business Plan for April 2025–March 2026

Our draft RIO-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 RIO-2 period.

<p><b>Changed plan</b></p> <p>This draft business plan looks and feels different from our previous plans. We have worked closely with Ofgem to reform the regulatory framework to reflect our status as a new, independent, government-owned, not-for-profit organisation with new roles and responsibilities.</p>	<p><b>Scope</b></p> <p>The plan does not explicitly reference all the activities we will continue to undertake during the BP3 period. However, we remain steadfastly committed to delivering both our existing BP2 commitments and all our licence obligations.</p>	<p><b>Stakeholder input</b></p> <p>Engagement with our customers on BP2, along with feedback from the Independent Stakeholder Group on BP3, has helped to shape this plan.</p>	<p><b>Ambition</b></p> <p>Many of the activities in this business plan are new. We are committing to initiatives that will advance the energy transition, some of which have never been undertaken before – both in Great Britain’s energy sector and internationally.</p>
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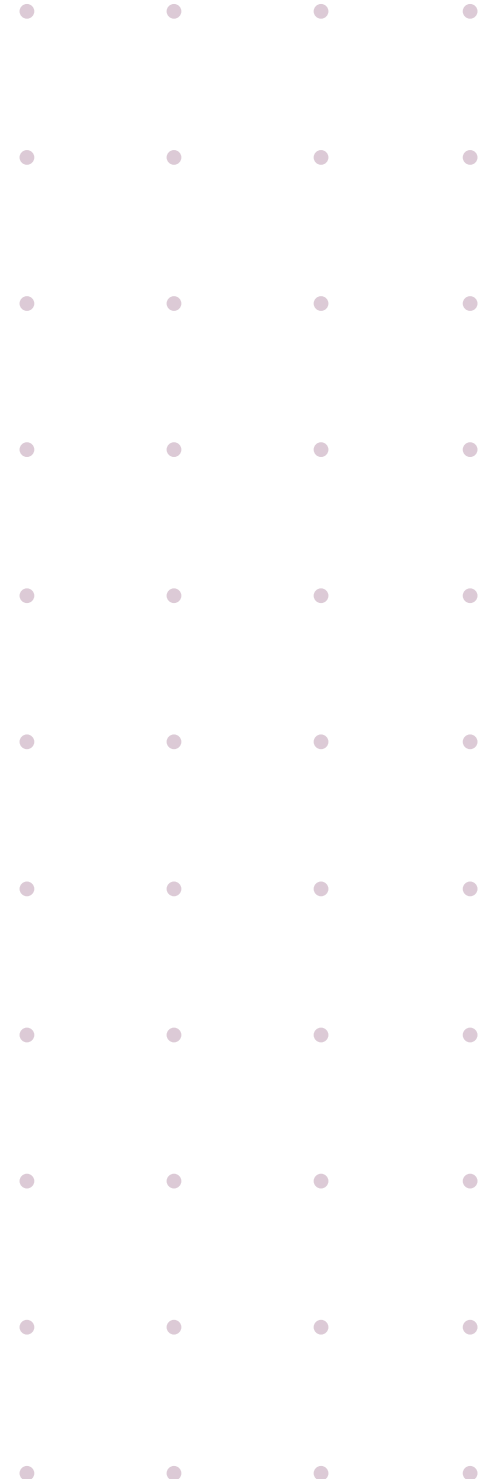




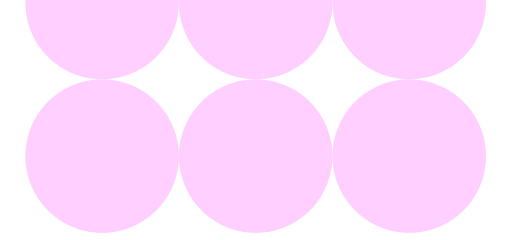


# 5. BP3 Building Blocks

BP3 articulates our delivery focus through eight Performance Objectives. These objectives underpin our Strategic Priorities, enabling us to fulfil our statutory duties as well as our purpose, vision and values. More details on each of the first three building blocks can be found by visiting [About NESO](#) on our website.


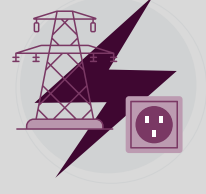






# Performance Objectives

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.

WHOLE ENERGY		
	<b>Strategic Whole Energy Plans</b>	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.
	<b>Enhanced Sector Digitalisation and Data Sharing</b>	NESO will work with the sector to develop a unified digital ecosystem with transparent data access and stakeholder-focused solutions.
	<b>Fit-for-Purpose Markets</b>	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.
	<b>Secure and Resilient Energy Systems</b>	NESO will bring a whole-energy system approach to ensuring energy security and resilience for Great Britain.
	<b>Separated NESO Systems, Processes and Services</b>	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.
	<b>Clean Power 2030 Implementation</b>	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.
ELECTRICITY		
	<b>Operating the Electricity System</b>	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.
	<b>Connections Reform</b>	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.

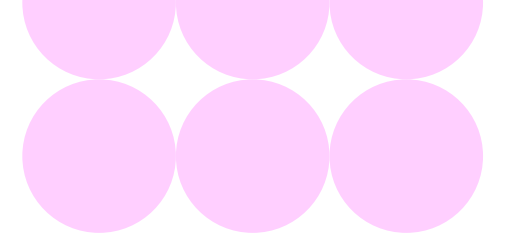


# Our key performance indicators

## A summary of our KPIs for each of our Performance Objectives

WHOLE ENERGY	Performance Objective	Key Performance Indicator	Target
	Strategic Whole Energy Plans	Publish the first SSEP pathways document.	Deliver by the end of 2025.
	Enhanced Sector Digitalisation and Data Sharing	Establish data sharing infrastructure for the industry.	Deliver at least one use case for the Minimum Viable Product (MVP) during BP3.
	Fit-for-Purpose Markets	Volume of services procured non-competitively.	Reactive: 95% Frequency Response & Reserve: 20% Constraints: 55%
	Secure and Resilient Energy Systems	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.
	Clean Power 2030 Implementation	Comprehensive NESO 2030 Delivery Plan consulted upon and published.	100% required strategies in place.
	Separated NESO Systems, Processes and Services	Services no longer on Transitional Service Agreements (TSAs).	60% of services exited from the TSAs by the end of March 2026.
ELECTRICITY	Performance Objective	Key Performance Indicator	Target
	Operating the Electricity System	Operate the system carbon free.	100% zero-carbon operation by the end of 2025.
	Connections Reform	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





# Value for money

Ofgem holds us to account for delivering value for money to consumers. Value for money ensures that resources are used efficiently and effectively to achieve the best possible outcomes for consumers.

The following categories cover the core outcomes and benefits that our objectives will deliver:



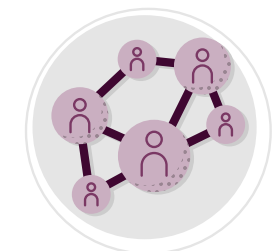
Lower bills for consumers than would otherwise be the case



Ensuring system security and reliability



Supporting net zero



Improved industry coordination

We have used the following timelines to specify when benefits will materialise:

- **Within BP3:** Benefits that occur in the regulatory period of 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

## Approach

NESO has assessed the requirements and prioritised activities to prepare a Totex\* 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 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*\*\* 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.

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, 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.

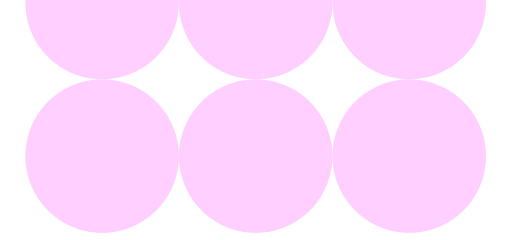
The total increase in costs above the baseline is driven by the following factors:

- **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 Rough Order of Magnitude (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

\* The total cost of expenditure relating to licensees' regulated activities.

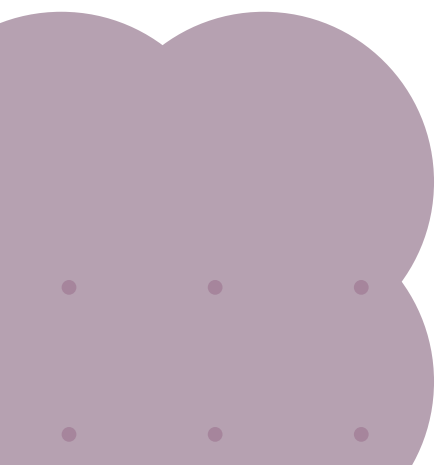
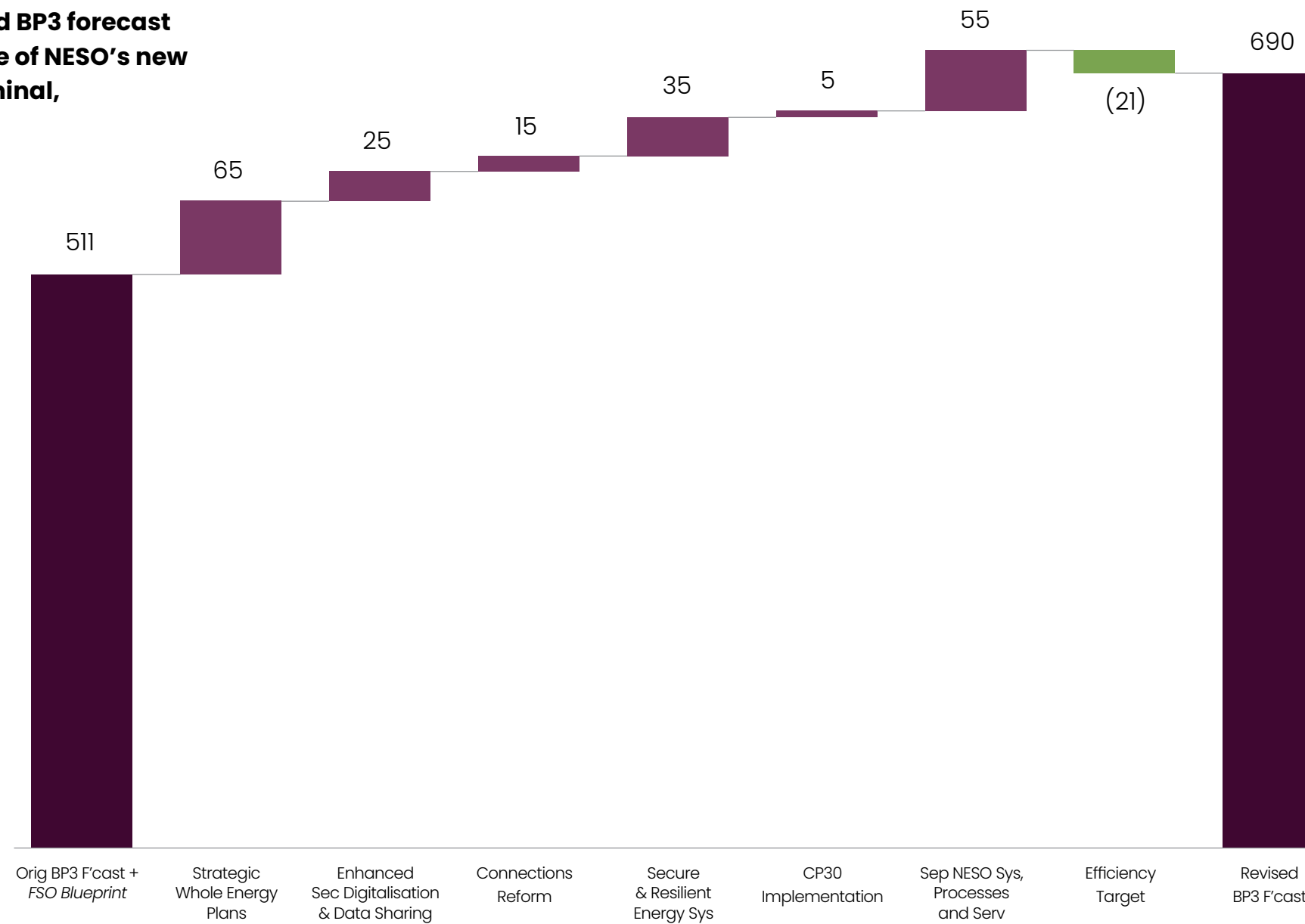
\*\* The FSO Blueprint submission to Ofgem in March 2023 was a proposal submitted by National Grid and ESO (Electricity System Operator) outlining their plans and costs for implementing the FSO.





# Approach (continued)

**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.





# 7. How We Will Deliver

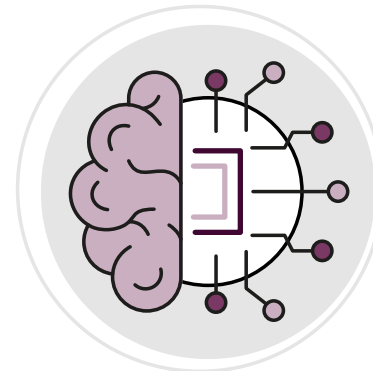
## Strategic Priorities

Our 'Customer Centricity', 'Digital Mindset' and 'People Value' priorities describe how we will deliver our objectives.



### Customer Centricity

We will understand and balance the different needs of our customers to form meaningful partnerships.



### Digital Mindset

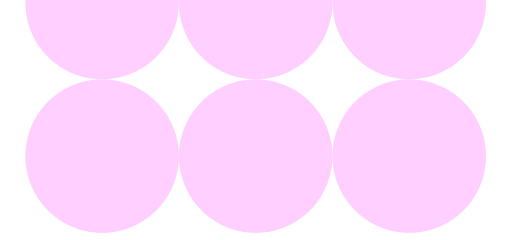
We will unlock the potential of technology and teamwork through a digital-first approach, enabling a future of seamless connectivity and innovation at pace.



### People Value

We will invest in our people to ensure we are prepared and empowered to embrace the opportunities of the future.



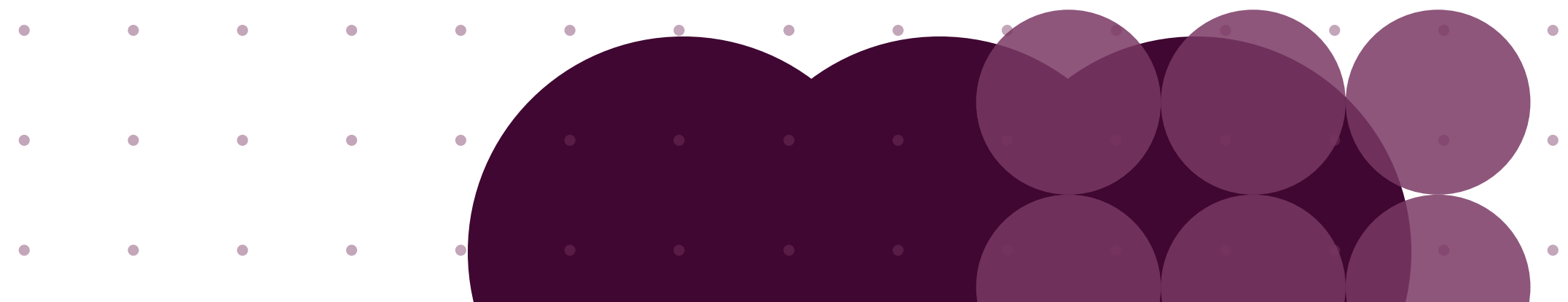


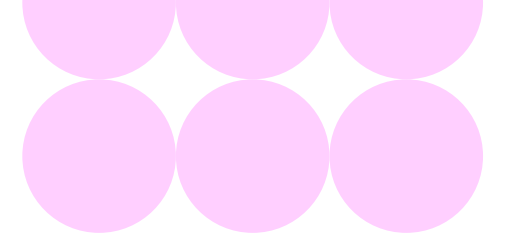
# Customer Centricity

To fulfil our critical role and deliver balanced outcomes for energy consumers and Great Britain, we must work closely with the wider energy landscape. A customer-centric approach underpins all our Performance Objectives, recognising the broader service we provide in coordinating input and delivery across multiple external customer and delivery groups.

As we take on an expanded remit, we will grow our knowledge and relationships with both new and existing customers, drawing on outside expertise to broaden our understanding. By developing a strong outside-in perspective of our customers' activities, needs and priorities, we will base our decisions and actions on a better understanding of the available options and our wider impact.

Whether working with industry partners or community groups, we will consider the broader impact of our decisions and actions, ensuring we address both short- and long-term trade-offs.





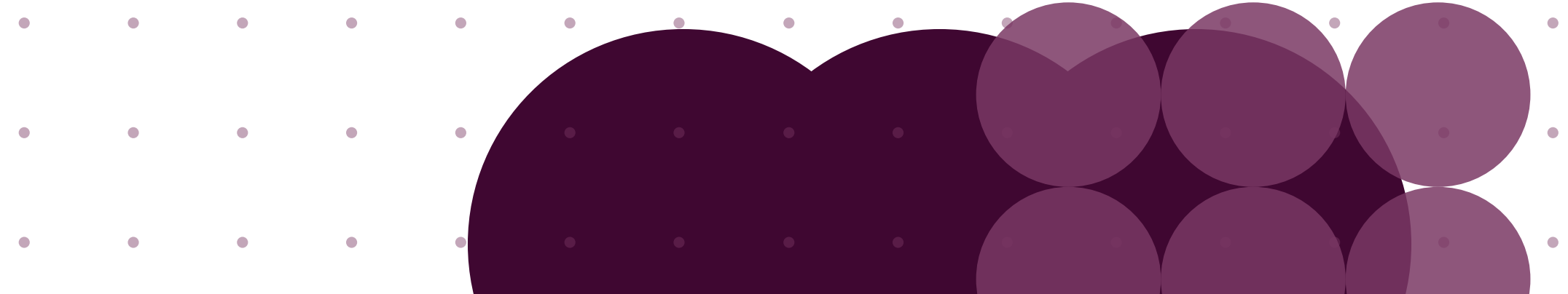
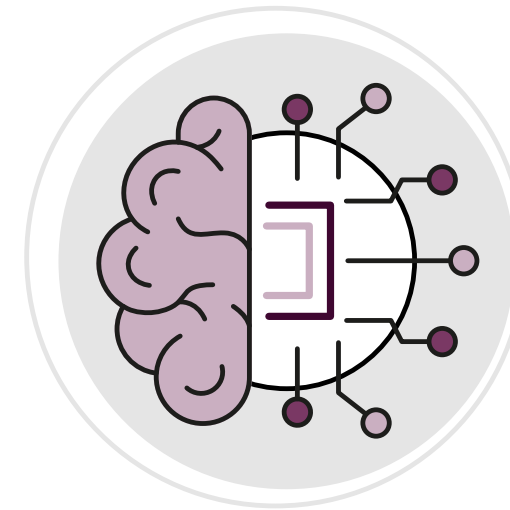
# Digital Mindset

**A Digital Mindset is crucial for NESO's strategic priorities, positioning us as a digital leader in sector-wide digitalisation. This mindset encompasses digital skills, innovation, open data sharing and AI-driven transformation.**

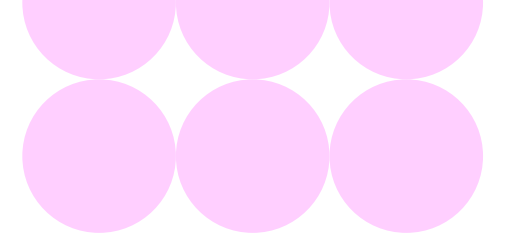
Engagement and confidence from the wider energy sector are critical to our success. By adopting a digital mindset, we will deliver a seamless and supportive experience for customers throughout their journey with us.

A digital first approach will drive the adoption of generative AI (Gen AI) both internally and externally to improve productivity and enhance customer outcomes.

We will become digital leaders by accelerating of AI capability across the energy industry, including supporting Ofgem and DESNZ in establishing relevant AI policies and use cases.





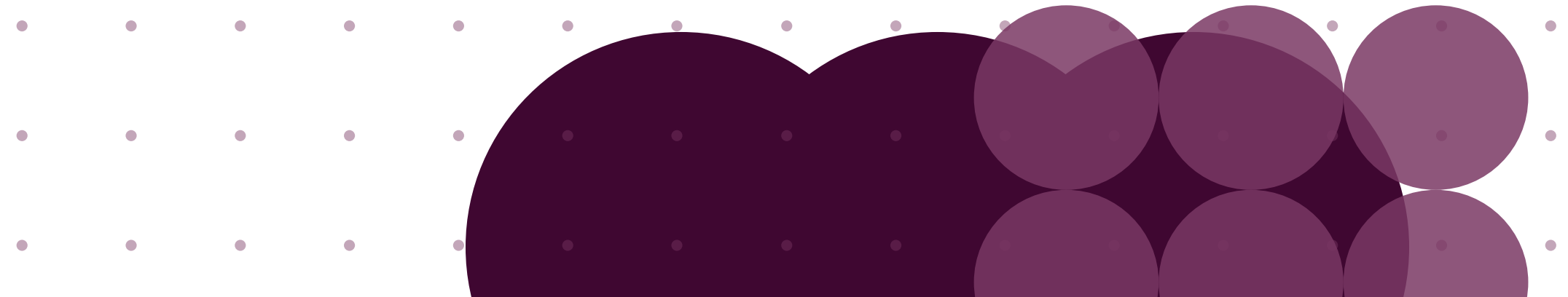


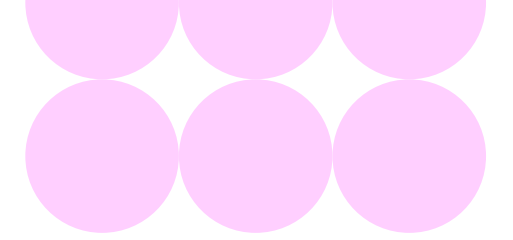
# People Value

**To ensure we're prepared and empowered to deliver for today and embrace the opportunities of the future we will invest in our people.**

We are committed to attracting, retaining and developing talented people with expertise across all energy sectors who are ready to tackle the significant challenges ahead. While new technologies will accelerate progress and change, it is our people who will lead us towards a sustainable future. They are at the heart of everything we do.

To unlock the value of our people, we place a strong emphasis on the breadth of their skills. A comprehensive understanding of all parts of the energy system, including their interrelations and interactions, is crucial. We will also ensure that our people develop foundational skills in digital and data literacy, critical problem-solving, holistic thinking and effective engagement. We are committed to inclusivity and nurturing talent from all backgrounds, building a deep sense of belonging across the organisation.

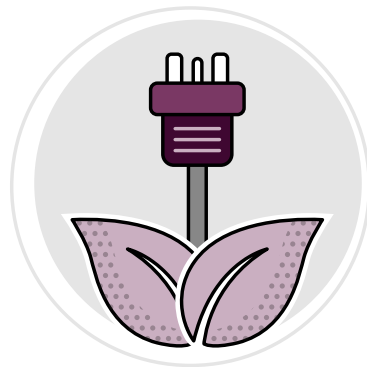




# 8. What We Will Deliver

## Strategic Priorities

Our 'Clean Power', 'Decarbonised Energy' and 'Consumer Value' priorities describe holistically what we will deliver before April 2026.



### Clean Power

We will enable a zero-carbon electricity system by adopting a whole system approach, encouraging innovation and collaboration.



### Decarbonised Energy

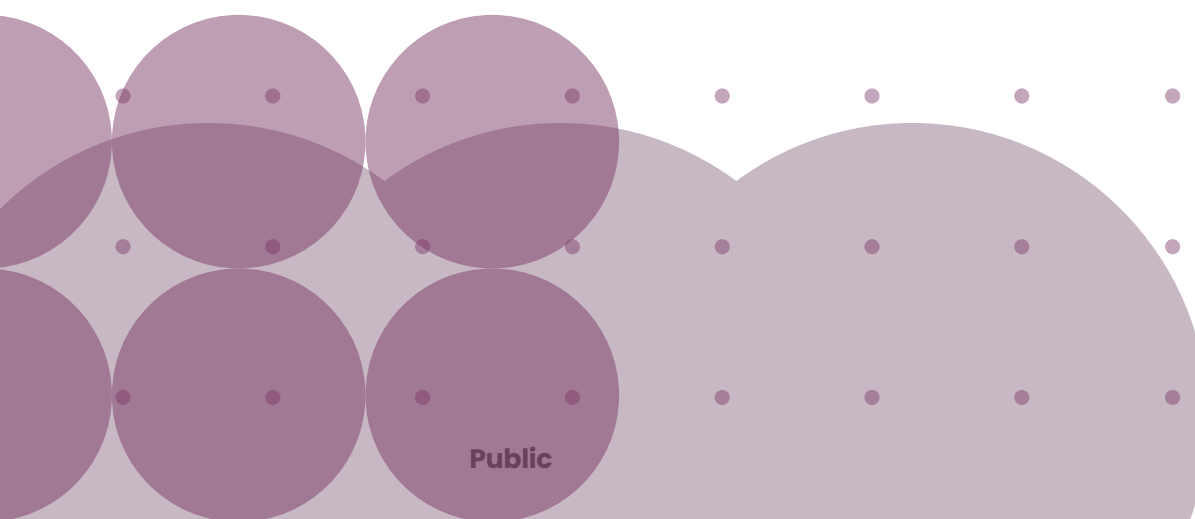
We will develop integrated plans for a decarbonised, efficient and flexible energy system fit for the future.



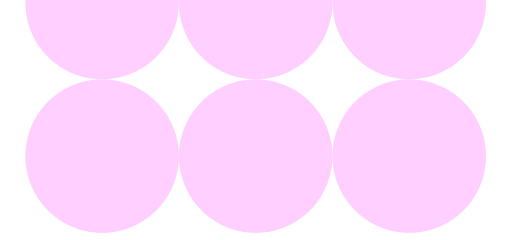
### Customer Value

We will have unlocked around £3 billion of consumer benefits by 2026 through delivery of our commitments.

Our eight Performance Objectives on the following pages provide specific deliverables, success measures and key performance indicators to support the delivery of our Strategic Priorities between April 2025 and March 2026.

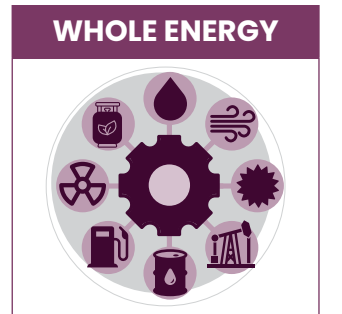






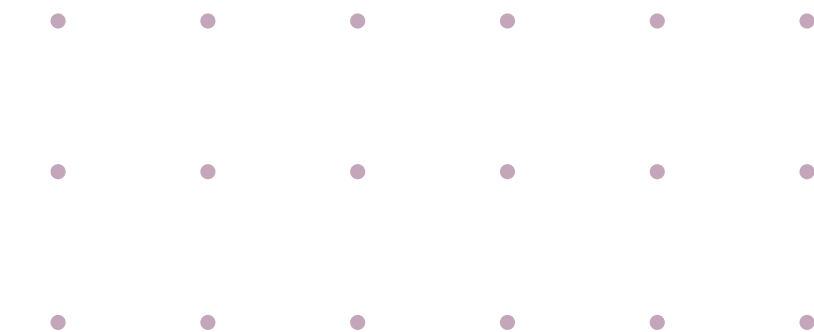
# Performance Objective: Strategic Whole Energy Plans

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.



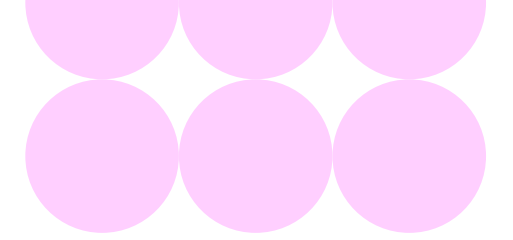
## Why is it important?

Determining where it is most efficient to build the network, by ensuring strategic coordination at both national and regional levels and across different energy vectors, will accelerate the decarbonisation of generation and demand. It will also drive investment in the required network infrastructure across Great Britain, ensuring that consumers pay no more than necessary for the energy they need.



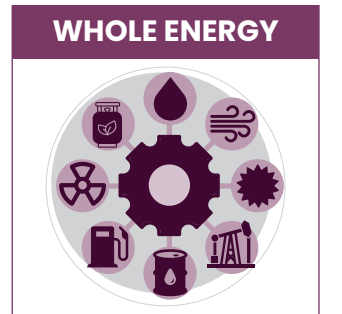
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 <b>Key Performance Indicator</b>	 <b>Target</b>
Publish the first SSEP pathways document.	Deliver by the end of 2025.
 <b>Major Deliverables</b>	 <b>Success Measures</b>
Gain approval of strategic energy planning methodologies within the specified timelines: <ul style="list-style-type: none"> <li>• SSEP methodology in by June 2025</li> <li>• CSNP methodology by September 2025</li> </ul>	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.



# 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.







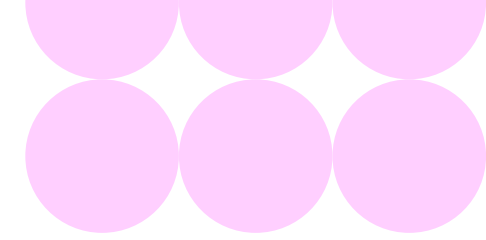
## Why is it important?

Improving industry coordination through data-sharing infrastructure, enhanced data coordination and collaborative approaches to sector-wide digitalisation will increase transparency, support informed decision-making and encourage greater innovation. Together, these improvements should lead to a more efficient and effective market, ultimately reducing costs for consumers.



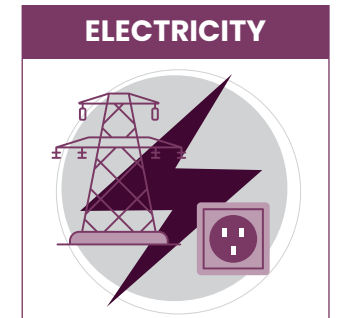
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 <b>Key Performance Indicator</b>	 <b>Target</b>
 <b>Major Deliverables</b>	 <b>Success Measures</b>
Establish data sharing infrastructure for the industry.	Deliver at least one use case for the Minimum Viable Product (MVP) during BP3.
Publish a sector 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.



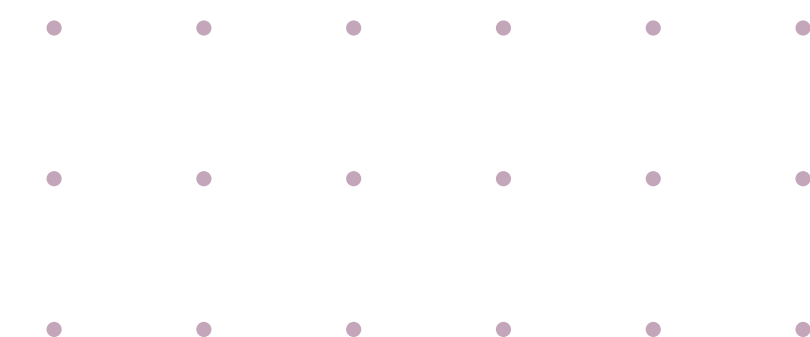
# Performance Objective: Operating the Electricity System

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.







## Why is it important?

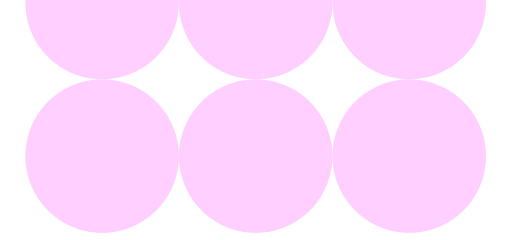
Maintaining system security and reliability during the transformation to a decarbonised and decentralised system will ensure that consumers continue to benefit from a system that provides electricity whenever they need it. By challenging processes and ways of working, we can ensure this is achieved at the lowest possible cost to consumers.



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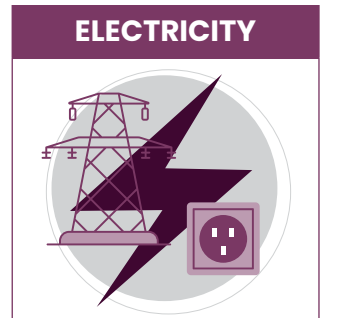
 Key Performance Indicator	 Target
Operate the system carbon free.	100% zero-carbon operation by the end of 2025.
 Major Deliverables	 Success Measures
Deliver new products and capabilities in accordance with our Balancing Programme.	Reduced market downtime, improved dispatch efficiency, legacy systems 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.









# Performance Objective: Connections Reform

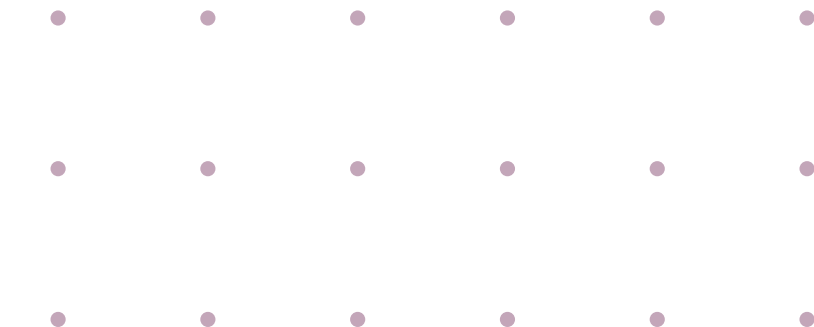
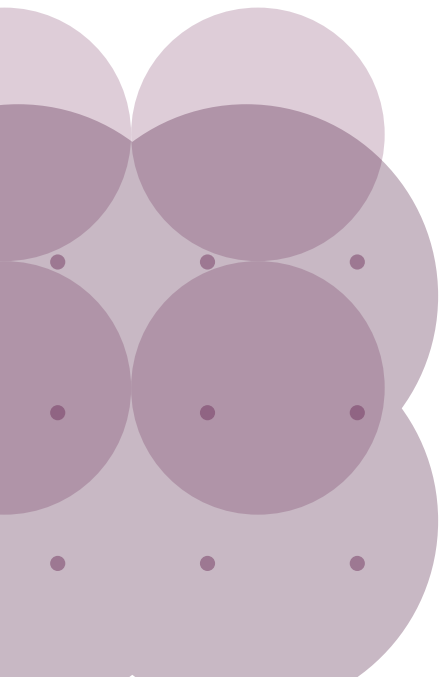
ESO will work with Ofgem, DESNZ, network owners and customers to deliver and implement a reformed connections framework that enables projects needed for 2030 and beyond to connect in a timely and coordinated manner.



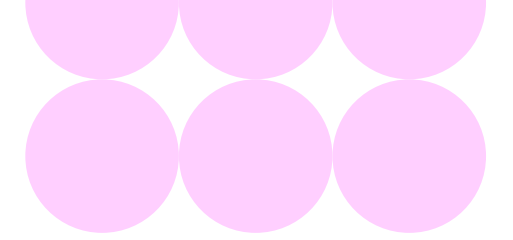
## Why is it important?

Ensuring that projects contributing to zero-carbon operation can connect more quickly and in a coordinated, efficient way will help align connections with Great Britain's future strategic energy needs. This will reduce costs for consumers by ensuring only the necessary energy is connected.

 <b>Key Performance Indicator</b>	 <b>Target</b>
 <b>Major Deliverables</b>	 <b>Success Measures</b>
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.
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.

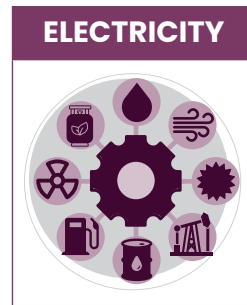


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# Performance Objective: Fit-for-Purpose Markets

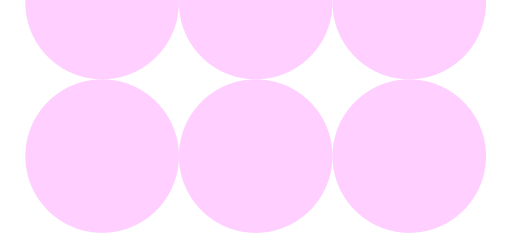
NESO will support the government in making informed decisions on policy and market reform across the whole system. We will also continue to reform our own markets to level the playing field and deliver value to consumers.



## Why is it important?

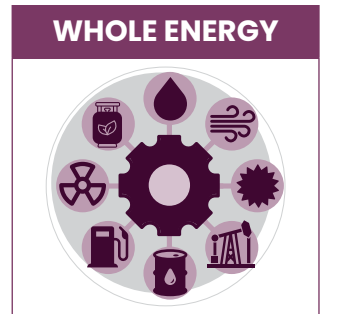
Delivering markets that increase access and competition will reduce energy costs and establish market arrangements that accelerate decarbonisation, enabling us to respond to current and future low-carbon energy policies.

 <b>Key Performance Indicator</b>	 <b>Target</b>
 <b>Major Deliverables</b>	 <b>Success Measures</b>
Volume of services procured non-competitively.	<ul style="list-style-type: none"> <li>Reactive: 95%</li> <li>Frequency Response &amp; Reserve: 20%</li> <li>Constraints: 55%</li> </ul>
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"> <li>Improved capability to manage frequency, and a level playing field for response providers.</li> <li>Streamlined procurement processes for ancillary services, such as stability and reactive power.</li> <li>Improved access for demand side flexibility in our markets, such as slow reserve, in line with our <i>Routes to Market Review</i>.</li> </ul>
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 end of March 2026.	Deadlines met with sufficient market interest to run an effective procurement event.



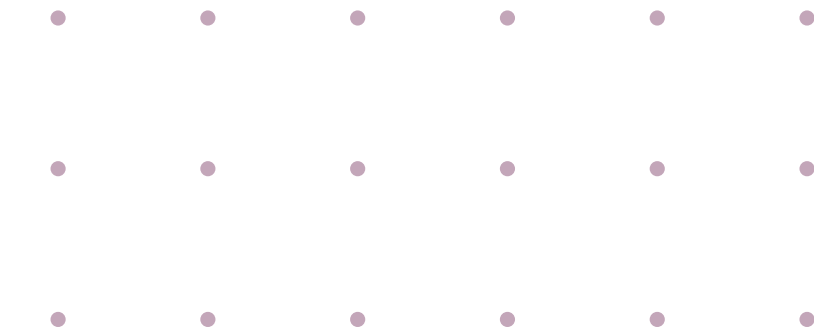
# Performance Objective: Secure and Resilient Energy Systems

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



## Why is it important?

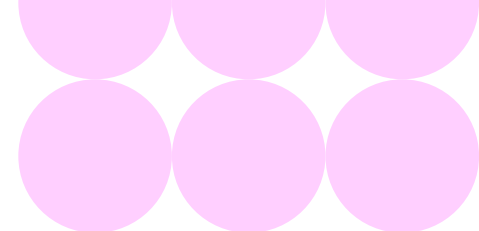
Ensuring system security and reliability ensures that we, the industry and the government, are prepared to mitigate current and future risks. This allows consumers to continue relying on a dependable energy system.



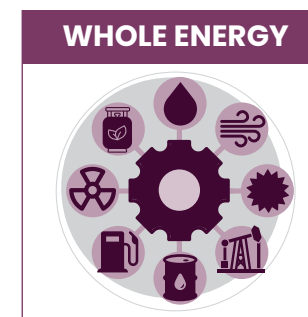
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 Key Performance Indicator	 Target
Deliver Electricity System Restoration Standard to restore 100% of Great Britain's electricity demand within five days.	95% of capability and arrangements in place to meet the Standard.
 Major Deliverables	 Success 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.





# 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.

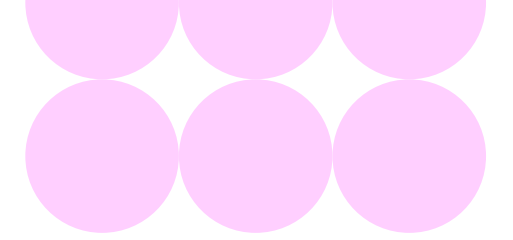
## Why is it important?

This Performance Objective will evolve over the remainder of this financial year as we receive the agreed pathway to be published by the government. This will enable us to better articulate our role and the activities we will undertake to achieve the clean power by 2030 ambition. In the meantime, we have outlined below the deliverables we consider necessary to progress towards delivering clean power by 2030.



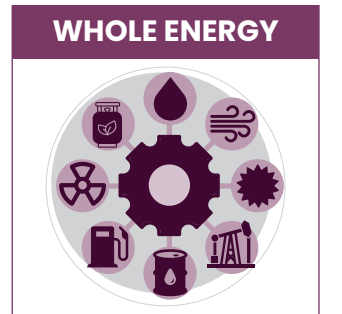
**Public**

 <b>Key Performance Indicator</b>	 <b>Target</b>
 <b>Major Deliverables</b>	 <b>Success Measures</b>
Comprehensive NESO <i>2030 Delivery Plan</i> consulted upon and published.	100% required strategies in place.
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.



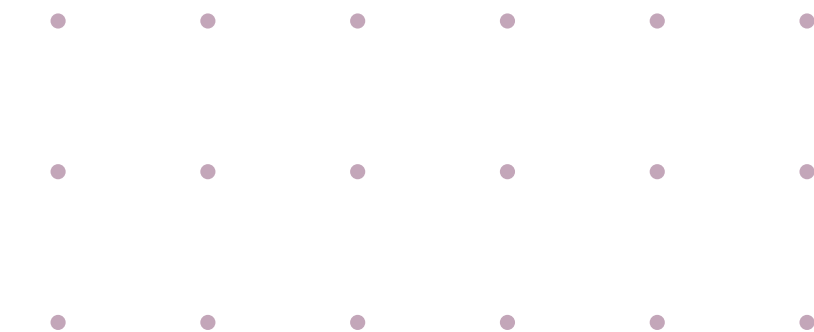
# Performance Objective: Separated NESO Systems, Processes and Services

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.







## Why is it important?

Delivering data-driven capabilities, processes and systems that enable more efficient service delivery within NESO and to the wider industry, supported by effective third-party service management, will ensure our customers receive the best service at the lowest cost. It will also empower our employees to perform their roles as efficiently and effectively as possible.



Public

 <b>Key Performance Indicator</b>	 <b>Target</b>
 <b>Major Deliverables</b>	 <b>Success Measures</b>
Services no longer on Transitional Service Agreements (TSAs).	60% of services will be exited from the TSAs by the end of March 2026.
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"> <li>NESO network physically separated from National Grid by December 2025</li> <li>All users &amp; devices shifted to NESO infrastructure by January 2026</li> <li>Digital platforms and majority of applications migrated to NESO environment by March 2026</li> </ul>
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.

Please note that all dates are subject to agreement with National Grid on the baseline TSA exit plan in January 2025.



# 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.

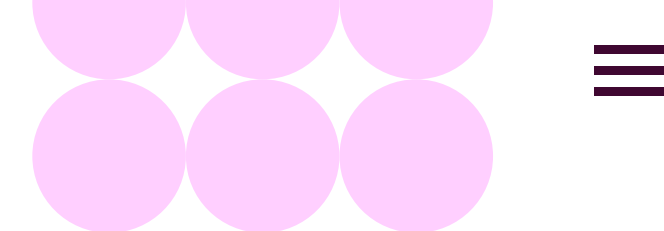
Below are some specific questions we would like your feedback on:

- 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@nationalenergyso.com](mailto:box.neso.riio2@nationalenergyso.com) and clearly marked if they are considered confidential.

January  
10  
2025





# 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.

This table 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](#).

BP2 Role	BP2 Activity	BP3 Performance Objective
<b>1</b> 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
<b>2</b> 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	
<b>3</b> 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	
	A14 Take a whole electricity system approach to connections	Connections Reform
	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	

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