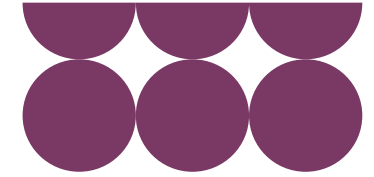




Strategic Energy Planning

A Summary



Strategic Planning

Overview

Climate change is one of the biggest challenges facing our planet today.

In response, the UK Government has an ambition for Great Britain to be supplied with clean power by 2030 and achieve net zero by 2050. NESO is playing a fundamental role in delivering this.

The UK Government, devolved governments, and the energy regulator Ofgem, have asked NESO to prepare a set of strategic energy plans to help drive this change. These plans have individual aims and together create a whole picture that will enable us to contribute to their net zero aims.

Demand for energy keeps increasing and Great Britain will need much more electricity in the future than we do now. This means that we need to move faster than ever before to make sure we have clean, secure, affordable energy for consumers.

At the end of 2024, we provided independent advice on the pathway towards clean power by 2030, which sets out that it is a huge but achievable challenge. In response, the UK Government is developing its Clean Power Action Plan which will provide the basis and context for our strategic plans.

- **Future Energy Scenarios (FES)** pathways identify the strategic choices that can be made to support the transition to clean power and net zero. This strategic evolution forms part of a wider industry overhaul to Great Britain's energy network planning.
- Building on this, the **Strategic Spatial Energy Plan (SSEP)** will set out a long-term view of what energy sources are needed to reach net zero, and their most optimal locations across Great Britain on a zonal basis. This will consider from 2030 to 2050. When we have this spatial blueprint, the **Centralised Strategic Network Plan (CSNP)** will recommend the best options to connect the power to the people and sources that need it.
- Our work through the **Holistic Network Design (HND)** and the **Holistic Network Design Follow Up Exercise (HNDFUE)** has already supported the world leading development of offshore wind in British waters. They recommended options for connecting wind farms in a way that is cost effective and achievable.
- At regional level in England, and at a national level in Scotland and Wales, NESO is working with councils, energy providers and communities to develop 'bottom-up' plans to help forecast future energy needs, based on each areas



vision for industry, homes and transport. Brought together, this information will create **Regional Energy Strategic Plans (RESP)** which will recommend the best energy mix for each nation and region and ensure they align with the ‘top-down’ strategic plans.

- With NESO’s new whole system responsibilities, we are developing plans about the gas transmission network and the decarbonisation of the industrial clusters – which are vital in delivering our net zero objectives. These plans, which include the **Gas Network Capability Needs Report (GNCNR)** and the **Gas Options Advice Document (GOAD)** will contribute to the CSNP and other plans, provide NESO’s view of Great Britain’s gas transmission systems capability to meet current and future network requirements.

We are also working on a number of initiatives which will contribute to the success of the delivery of these plans and GBs transition to clean power and net zero.

- There is a clear and urgent need to reform the electricity network connections processes. Projects are waiting too long to connect to the network, which is hindering our ability to deliver clean power and reduce reliance on fossil fuels, ultimately impacting our progress towards net zero. **Connections Reform** proposes to align the reformed connections process with strategic energy plans. The reformed connections process will initially align to the UK Government’s Clean Power Action Plan, and then to the first SSEP.

- **Review of Electricity Market Arrangements (REMA)** is a comprehensive review of electricity market design being led by the Department for Energy Security and Net Zero (DESNZ). It will ensure that it is fit for the purpose to maintain energy security and affordability for consumers as the electricity system decarbonises. Changes to electricity markets will need to work alongside a range of wider policy actions underway to accelerate the pace of network build, reduce connection timescales, and take a more strategic and co-ordinated approach to spatial planning for energy infrastructure.

These plans and supporting initiatives will enable quicker and cost-efficient regulatory funding decisions. They will consider community and environmental interests, as well as safeguarding system resilience as a part of our evidence-led decision making as we assess future energy and network infrastructure needs. Developers, investors and decision makers will have more clarity and certainty on the direction for future energy infrastructure in GB.

Methodologies and Standards

NESO lies at the heart of the energy system as an independent, public corporation with responsibilities for energy planning and electricity operations. Our impartiality and whole system perspective mean we can make recommendations that balance the needs of everyone across Great Britain, so that we all benefit

from the growing number of options we have for cleaner, cheaper, more secure energy.

We will not be able to satisfy everybody and we will not be able to action all that we hear, however we will be focused on delivering for the best interests of the whole of Great Britain and will explain how our decisions deliver on this commitment.

Our Values



Accelerate Progress

We deliver better outcomes at pace when we take accountability, are courageous and progress the bigger picture.



Be Curious

We achieve more when we demonstrate a growth mindset, being curious, asking questions beyond and within our organisation to develop, learn and innovate.



Build Trust

We build trust when we listen to and understand the needs of our colleagues and customers, are transparent with our actions and deliver on our commitments.



Create Belonging

We perform at our best when we can be our true selves, embrace diversity and are truly inclusive.

In all of our engagement we will live our NESO values. A key way we will demonstrate these values is through engagement and consultation with stakeholders and interested parties.

As one connected organisation, we will show up openly and consistently. We will be coordinated in the way we organise ourselves when engaging with stakeholders. This means when planning consultations and announcements we will strive to consider what other commitments there are on stakeholder resource - from NESO and other organisations.

When we gather feedback and data, we will share these insights with others in NESO so that we can understand the perspectives from our stakeholders across our organisation. This will help us be

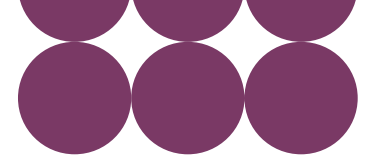
effective with our stakeholders' time, reducing repetition in responses and engagement on the overlapping topics. It is vital that we have the information we need to make the best decisions possible, and often our stakeholders will have this data.

We have a commitment to transparency on how we have made decisions, but on some occasions, we will be using data from stakeholders which is private, commercially sensitive or used under licence. We will respect these sensitivities which may mean that at times, we cannot give all the information we have used when coming to decisions.

The differences in approach and why

Different approaches are necessary across the various methodologies to effectively meet the unique objectives and constraints of each project and may arise due to several factors. For example:

- **A project might be delivering specific aims or objectives that necessitate a tailored approach:** A project focusing on delivering a technical requirement needed by industry will emphasise engagement with industry bodies, as the input and feedback required are of a technical nature. Consequently, the role of the public in this engagement may not be as wide as with other engagements.
- **Projects may be commissioned by different bodies, each with its own perspective on the scope or emphasis on the engagement needed:** A project initiated by the UK Government, Scottish Government, Welsh Government or



the energy regulator Ofgem may have distinct policy drivers and objectives, reflecting the unique needs and priorities of their areas which will be replicated in differences in the methodologies and stakeholders consulted and engaged.

- **A project may be commissioned at short notice to respond to an emerging challenge:** While we will always be compliant with laws and regulations, we are keen to go beyond this in our engagement with our stakeholders and customers. Our ability to do this may be restricted if a project is working under tight deadlines. This could lead to more focused and expedited methodologies, whereas projects with longer timelines might allow for more comprehensive and iterative engagement processes.

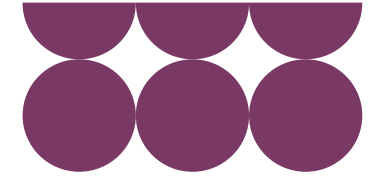
These variations in methodology are essential to ensuring that each project's unique goals and constraints are adequately addressed, ultimately contributing to the overarching objectives of NESO, as well as the aims of the commissioning organisation.

The table and diagram on the next pages outline our Strategic Energy Planning activities – the aim of each project, and how you can get involved.

To learn more about strategic energy planning please visit NESO's website - <https://www.neso.energy/what-we-do/strategic-planning>

If you have any questions, please email:

Box.SEP-Portfolio@uk.nationalenergyso.com

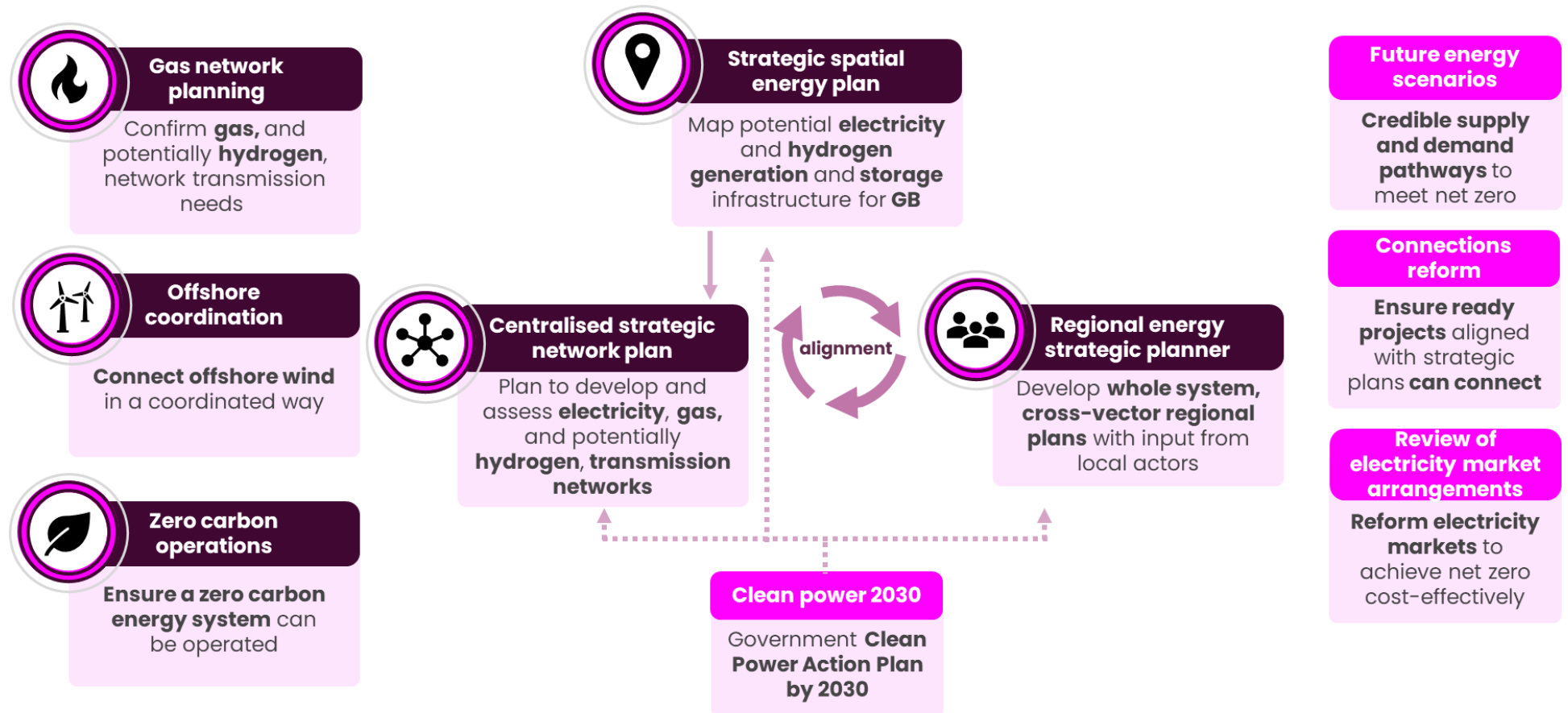


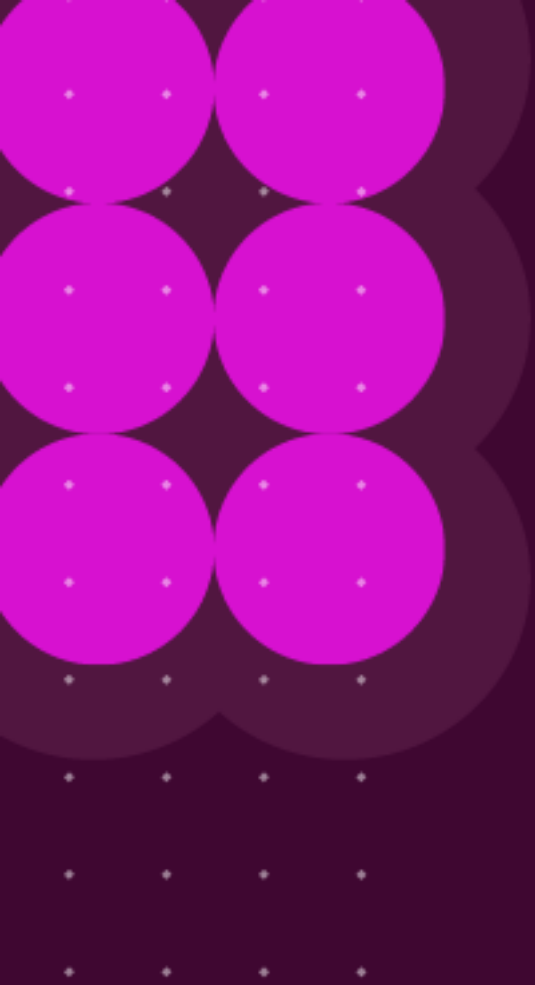
Strategic Planning – At a Glance

Plan	Main Aim	Commissioner	Next External Engagement
Name of the plan	<i>Key Deliverable from the work</i>	<i>Who asked us to do the work</i>	<i>The next opportunity for you to have your say</i>
Strategic Spatial Energy Plan – SSEP	Great Britain-wide blueprint for the development of large-scale generation and storage of electricity and hydrogen over time.	<ul style="list-style-type: none"> • DESNZ • Scottish Government • Welsh Government 	<ul style="list-style-type: none"> • December 2024– January 2025: Methodology consultation • 17 December 2024: Methodology Webinar • Q1/2 2025: Strategic Environmental Assessment (SEA) Scoping Report Consultation • Throughout 2025: Ongoing engagement with Working Groups and Societal Forums. • Q2 2026: Draft SSEP consultation
Transitional Centralised Strategic Network Plan 2 Refresh – tCSNP2 Refresh	An intermediate phase as we develop the enduring CSNP. It is a Refresh of our Beyond 2030 report published in March 2024 that recommended reinforcement projects.	<ul style="list-style-type: none"> • Ofgem 	<ul style="list-style-type: none"> • December 2024– January 2025: Methodology consultation • January to March 2025: Methodology –stakeholder engagement following consultation • End of March 2025: Methodology submission to Ofgem
Centralised Strategic Network Plan – CSNP	An independent, coordinated, and long-term approach to transmission network planning in Great Britain.	<ul style="list-style-type: none"> • Ofgem 	<ul style="list-style-type: none"> • December 2024– January 2025: Methodology consultation – high level principles • January to June 2025: Methodology external working groups • End of Q2 2025: Draft Methodology consultation
Regional Energy Strategic Plans – RESPs	Coordinated whole energy system planning and governance across Scotland, Wales and nine English regions	<ul style="list-style-type: none"> • Ofgem 	<ul style="list-style-type: none"> • Q4 2024: Agree with Ofgem the scope of NESO input to DNO ED3 business plans • Q1 2025: Ofgem publish decision on the RESP policy framework • In 2025: Draft methodology consultation • Q1 2026: NESO input to DNO ED3 business plans



<p>Gas Network Capability Needs Report – GNCNR Gas Options Advice Document – GOAD</p>	<p>Plans the gas transmission network, analyses the decarbonisation of the industrial clusters.</p>	<ul style="list-style-type: none"> • Ofgem 	<ul style="list-style-type: none"> • Early 2025: Stakeholder feedback and input on the draft methodology for the GOAD
<p>Holistic Network Design – HND and Follow Up Exercise – HND FUE and Future of Offshore wind</p>	<p>Strategically designing how best to bring electricity generated from offshore wind onshore in an efficient and coordinated way.</p>	<ul style="list-style-type: none"> • DESNZ 	<ul style="list-style-type: none"> • In 2025: Stakeholder engagement on environmental processes and assessments.
<p>Review of Electricity Market Arrangements – REMA</p>	<p>Enable a cost-effective, accelerated decarbonisation of Great Britain’s power system.</p>	<ul style="list-style-type: none"> • Led by DESNZ 	<ul style="list-style-type: none"> • Mid 2025: Policy Development phase expected to conclude External engagement is led by DESNZ.
<p>Connections Reform</p>	<p>Introducing a new, agile, future-proof process for connection and access to the transmission system that ensure efficient and timely connection of net zero aligned projects.</p>	<ul style="list-style-type: none"> • Led by NESO 	<ul style="list-style-type: none"> • End 2024: Final proposals submitted to Ofgem for decision. Consultation closed on 2 December 2024 • Q1 2025: Ofgem decision expected. • Q2 2025: Implementation, assuming Ofgem approval.
<p>Future Energy Scenarios – FES Pathways</p>	<p>Identifying strategic choices that can be made on the route to net zero.</p>	<ul style="list-style-type: none"> • Ofgem 	<ul style="list-style-type: none"> • December 2024: FES 25 methodology to be submitted to Ofgem. • Summer 2025: Full FES suite of documents published.





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