

Public

# Meeting minutes

## Independent Stakeholder Group – Meeting 6 (Virtual)

**Date:** 07/11/2024      **Location:** MS Teams

**Start:** 13:00pm      **End:** 15:00pm

### Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Zoe Morrissey - NESO	Attend	Nina Skorupska	Attend
Rachel Smith - NESO	Attend	Stuart Cotten	Attend
Hannah Kruimer - NESO	Regrets	Aileen Mcleod	Regrets
Laurence Barrett - NESO	Attend	Elizabeth Allkins	Regrets
Aaron Ludford - NESO	Attend	Sam Mackilligin	Regrets
Adeola Onabanjo - NESO	Attend	Mark Fitch	Attend
Tonderai Munetsi - NESO	Attend	Ian Radley	Regrets
Andy Manning	Attend	Rosie McGlynn	Attend
Marko Grizelj	Attend	Janet Wood	Attend
Barry Hatton	Attend	Janine Michael	Attend
Amanda Webb	Attend	Nick Sillito	Attend
Goran Strbac	Attend	Gregory Edwards	Attend
Tony Green	Regrets	Rachel Fletcher	Regrets
David Mitchell	Regrets	Bob Lowe	Regrets

### Agenda

#	Topics to be discussed	
1.	Welcome and introduction	Andy
2.	Conflict of interest and action review	Andy

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3.	General BP3 Update	Zoe
4.	Open Feedback session	All
5.	Timelines / timescales	Zoe
6.	AOB and next steps	Andy

## Discussion and details

#	Topics to be discussed
<b>1.</b>	<p><b>Welcome and introductions</b></p> <p>Andy opened the meeting &amp; outlined the agenda. Confirmed that the meeting would be an opportunity for members to provide feedback on the early Business Plan (BP3) draft shared on 1 November 2024.</p>
<b>2.</b>	<p><b>Conflict of interest and minutes review</b></p> <p>Andy confirmed no conflicts of interest and nothing to raise on previous minutes.</p>
<b>3.</b>	<p><b>General BP3 Update</b></p> <ul style="list-style-type: none"> <li>• Zoe began discussions by thanking members for their support and reviewing BP3.</li> <li>• It is still a working document in draft form and acknowledged it is a large document. The ask of members is for a holistic view on the plan; does this feel the right direction of travel? Are there any significant issues? Would like high level overviews from members, but happy to take specific drafting comments offline.</li> <li>• The consultation launch date is 2 December 2024. Zoe acknowledged it's a large document and we want to break it down for different readers. Our current plan is to move towards an additional summary slide pack with various annexes and links to other information sitting behind it.</li> <li>• Zoe added she would like member's opinions on if there is value of data tables.</li> <li>• We have taken onboard previous ISG feedback about one leading KPI for each Performance Objective. We would like to then add that into a dashboard so it can be reported on in an intuitive way.</li> <li>• Rachel added we are working towards a consistent tone and approach to layout and presentation of each Performance Objective. Asked members to share if they've found one example of what good looks like.</li> </ul>
<b>4.</b>	<p><b>Open Feedback session</b></p> <ul style="list-style-type: none"> <li>• Andy thanked Zoe and Rachel for the update. He confirmed the parameters of the session again - to examine how the document is presented and lands.</li> <li>• He then opened up to the group for questions:</li> </ul>

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### Nick was the first to respond.

- He agreed with Zoe the intention to put the high-level stuff at the front with more detail behind is pivotal to the success of this document. Will make it accessible to readers which is important.
- Nick added that he found it quite a variable level document. In some places we go into massive detail, for example in the electricity control room about the data systems and interface. However, the data section is quite vague on what we're going to do stuff with data and AI. This seems more open ended and lacks detail in terms of what specifically will we be doing.
- Feels introductory scope is missing – who are NESO? What is difference between GB & UK? What are our parameters? As it's the first NESO business plan, feels important to introduce NESO clearly.
- Introductory scope is needed for all the different performance objective sections and an outline of what kind of energy each one is referring to give it more context.
- The plan talks about strategic whole energy plans and delivering an affordable energy system. What does that mean? Who decides what is affordable? What metrics is this? A very difficult answer to quantitate. You also talk about benefit to communities; what is that?
- Crucial to make the document mostly readable, as opposed to something like the market rules which are very hard to read. This needs to be more strategic and more accessible to a variety of readers.

### Andy responded:

- Agreed with Nick. Feels like having something high level and accessible vs something with detail isn't the way of approaching this. Shouldn't treat it as either or. It's something you've got to get right – you can make it accessible and you can also give data, particularly in the spirit of open data you need a strong reason why you shouldn't publish it.

### Nick added:

- Agree completely on that with just the provision that the detail is in separate documents are also available.

### Mark responded next:

- Agrees with Mark the need for consistency across the document in terms of the level of detail.
  - You talk about being “world leading” and “first worldwide”. You need to be specific on how you are doing that to give confidence to the reader that you've got the ability to solve these issues.
  - Would help to clearly write electricity system versus gas on applicable sections so audience know which energy sectors are being referred to. Acknowledging the
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point of transition and explicitly referring to electricity will help crystallize the topic and improve understanding.

- Generally, Mark suggested document reads well, but it feels like it needs about a month more refinement to get to an outcome.

### Gregory provided his feedback

- Gregory echoed Andy's point on data availability. The impression is that some of day-to-day stuff that would be captured in the data tables that you haven't included here. This document appears to focus on the large strategic high-profile activities. Wouldn't want readers to lose sight of the fact that you still have day-to-day responsibilities which are equally important for market participants.
- Accepting that 2025–2026 is largely meant to be a transition year, broadly speaking, it's not quite clear to me whether your new obligations should or have shaped what you plan on doing now. For example, how have your obligations in the SPS or your legal obligations shaped what you do? It just seems to be largely a continuation of the stuff that you've done or stopped that government has asked you to do.
- Not yet clear how big an organisation NESO is transitioning to that. Is it one that looks after the whole system, rather than parts of the system that may operate in silos. Can this be made clearer?

### Goran provided his feedback next:

- He asked NESO to share what models are being used for the analysis to demonstrate how we've developed the activities and commitments in the document.
- He added he'd like to know what modelling we have done regarding flexibility and distribution and whole system modelling

Andy gives NESO the opportunity to respond to comments made so far.

### Laurence responded to Goran:

- Most of those methodologies fall into several of the other processes that we're outlining. If we're undertaking a piece of system modelling, be it whole system, most of those processes will then have a consultation on the methodologies and the models that we use. The visibility and transparency will come about as we go down those processes rather than necessarily being set out in detail in the business plans. If you look through some of our deliverables, they call out setting out those methodologies and ensuring we have consulted on them with stakeholders and industry.

### Goran responded to Laurence:

- If you do CBA, and a business case for activities you need some evidence on how the analysis has supported plans.
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### Zoe added her thoughts:

- We will reflect on this from CBA perspective.
- We will go back and challenge ourselves about how we make that connection and understanding of our new roles and our new obligations, and that this isn't just a follow on from what we've been doing to date. So that's really helpful.
- On data tables and the BAU work, these were discussed at Exco about how we give more context. We don't want to get into it line by line like previous business plans but remind people holistically the things we will still be doing.
- Interested to get a view whether that does look like data tables if we were able to summarise it in an effective way that would be good enough for these purposes?

### Gregory responded:

- Probably would be both for some and the data tables, because I would imagine in some instances for example, it's not just what you'll be doing, but the standards associated with that.
- One of the things that's missing from the draft and probably quite rightly so, are the various KPIs across the organisation. You need to ensure they're not getting lost.
- Andy referred to previous meeting around how we present the objectives in terms of their order in the document and a feeling from the group that we don't want to be stuck in the middle.
- Zoe responds that we are still considering those views but still taking a view and doing best to address it all.
- Andy states that's fine. Reemphasises the group's role to support not compel.

### Janine provided her feedback:

- There are good visual materials on website and the 'Introducing NESO document' that could be used to help demonstrate to audiences who NESO are and what you do. Could be reused in this document to good effect.
  - Appreciate the KPI efforts, was a little confusing whether referring to electricity system or whole system in certain sections.
  - Thinks the value for money and how we will deliver sections are good. Need to consider local and community benefits and bring that out, don't think need value for money in every Performance Objective section.
  - Customers and customer centricity is confusing. You use customer and stakeholder interchangeably.
  - Questions the phrasing of digital mindset priority. More than just a mindset, needs to be more strategic. Is mindset the right word? Should it be digital transformation? You don't just want a mindset; you're delivering more than just a mindset.
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- On People priority you could be a bit more strategic. You want the workforce that's going to deliver the Net Zero Energy system of the future.
- Will share full comments via email.

### Andy added to Janine's comments:

- The way we use customer and stakeholder can alternate. Would there be value in defining precisely when we're saying stakeholders, do we mean the same on every page. If we don't, what do we mean?

### Nina then provided her overview:

- Feels like it's an overarching overview of what a business plan should be.
- Likes the slides on page 7, that is beyond BP3. Feels we could signpost to other documents better.
- Missing a risk matrix which highlights what is stopping us being successful, and the cross dependencies across other plans.
- Feels like need to be consistencies around the style of the eight objectives and ensure they are providing value for money.
- If there is more detail elsewhere, signpost it and push it somewhere else. Don't add to it, keep it nice and efficient. It's a one-year plan so it's got to be punchy and to the point.

### Janet added her thoughts:

- Would want clear scope and demonstration of interaction between the energy system.
- Would like to see plans for engagement. How does the work we are doing enable customers to deliver as well?
- Feels missing gas industry and would like fuller detail. What is role as Energy system operator? Is it gas? How is gas used?
- There is a lot of detail about AI and NESO's role in driving change/progress. This seems a stretch.

### Zoe responded:

- Likes the risk piece suggestion, would be an identification of risk and barriers to delivery.
  - Feels our engagement is going to be different depending on what industries are we touching upon, so hopefully those who don't traditionally work with us could pick up this document and understand where they fit in and where we might engage with them.
  - Several mentions on being clear on gas, electricity versus whole system. We might think about icons do a section up front around where we are and we're transitioning in some of these areas.
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Andy added feels that benefit of consumers / benefit of stakeholders should be on every Performance Objective, and it doesn't necessarily appear to be so. Will send a note on those points.

### Rosie added her opinions:

- Feel it's missing a visual of where NESO sits in system and where those touchpoints are.
- Echoes the point it's a one-year document, so needs to be short sharp and punchy. Focus on mission critical analysis.
- Some confusion what ethical AI is, and how we will set standard for use of AI in sector?
- Feels there needs to be a callout about the gas and heat perspective, and emphasis on clean power 2030. 5% unabated fossil fuel gas. What does that really mean for 2030? What will NESO's impact on market participants be.

### Barry provided his feedback.

- You've got the link to the markets road map and the commitment is delivering in line with the road map including the flexibility marketing strategy. I think given this is only 12 months, it would be helpful to have the information from the roadmap in BP3 without having to reference another document.
- In terms of secure and resilient energy systems, and major deliverables it says build understanding of the critical national infrastructure for the energy industry. What does that mean? Is it a report that's going to be produced or an action plan or something that comes out of that.

### Stuart added his feedback:

- Agreed with Rosie and thanks NESO team for managing to get the doc out.
- NESO must try to avoid being political. The term affordability seems a political term. Value for money, is it the right phrase and key driver?
- Need to be careful in the statements you make. What you say needs to be deliverable and is a measure of your credibility. You currently use wording such as 'world-leading' 'never been done before' which are huge statements that need validating.
- Similarly with the AI standard. Would advise that comments are kept more high level. And that this needs to be a credible plan about what NESO can control.
- Would also like to see/understand how you will challenge others to be credible (not just provide advice).

### Zoe responded:

- We will take on feedback. The political point is something that are acutely conscious of, and don't want to appear political. Need to do more to bring out the fact we are independent.
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- Agree with Rosie's point about visual demonstration of who we are and that can bring out the challenging role.
- Very much take the message that the AI sections are not landing well and that doesn't feel like where people want to see us focusing. I will absolutely take that back to the team and really challenge them on this.
- We are conscious of walking fine line between promising the world and stepping into areas that you know we should be challenging ourselves.

### Marko added his feedback:

- Feels there is a missing thread to tie different pieces together in the sense of value for money that that isn't financial. You need to show how you are pulling all pieces together, like Connections reform, data sharing, strategic prioritisation and so on. How is NESO going to tie all these topics together into successful implementation of this large-scale energy infrastructure in which NESO plays a massive role in?
- Very important from a supply chain on power transfer and connection date, planning and material impact on how all transmission stuff comes online onto the grid.

### Andy provided his feedback:

- One point mentioned was related to the political aspect. What is your role in terms of REMA? Does NESO's role extend beyond analysis to ensure that the analysis is used and acted upon? Do you leave the decision making to others, even if they make questionable decisions based on the analysis? Performance panel members shared their thoughts on how they would judge the quality and clarity of the analysis.
- The terms "quality" and "clear" carry significant weight in some of the Key Performance Indicators (KPIs). The reliance on the panel members' judgment regarding quality and clarity was acknowledged.

### Zoe responded:

- Constant dilemma trying to come up with things that aren't just metric based but have some qualitative element. How do you create something that's not then going to feel a little bit subjective at the end of it? We are reflecting on can we do better than that in the hope it doesn't feel quite so open-ended.
- On REMA point, NESO have been clear Government will make decisions, particularly with Market Reform. We need to think about our role, our response, role to then challenge government if they're not making a decision, we think is right for the greater good; what's our role in challenging that and working with government to fully understand?

### Marko responded that:

- What NESO do is important and fundamental to the connection of all these assets and everything else that we do.
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Goran added his thoughts.

- Market design is not typically aligned with low carbon agenda.
- Not something that is done previously, and will be meeting different sectors, so need to find a way of bridging the gap across industry.

### 5. Timelines / Timescales

Zoe thanked group for their contributions and set out current timeframe for the preparation of BP3:

- Date for sharing document for consultation 2 December
- Consultation close 10 Jan 25
- Final version of plan to be published by end of Jan 25.

Opened to meeting for their thoughts.

Nina gave her view

Timeline presented feels correct, and that it can't be delayed, this is just too important really for the whole sector and the ambition. Added that don't let perfection get in the way of what is good. The important aspect is to get something out there, first plan and sets scene. Plenty of chance to address change.

Andy asked Zoe to confirm the timescale and method for members to provide more detailed feedback.

Zoe replied by email and by COP Monday 11 November.

### 6. AOB / Next Steps

No further comments or questions. Meeting closed.

## Action Item Log

Note – this document contains in-progress items and a rolling 30-day history of completed items.

The complete log may be found in:

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
A4.0	Share an acronym glossary with the group	ESO (AB)	5/20/2024	In Progress	Click or tap to

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date.

A6.0	Investigate the creation of a shared space / platform for ISG members to use and meeting papers to sit etc.	ESO (AB)	5/20/2024	In progress
A7.0	Investigate membership gaps for local authorities, farming/agriculture, gas shipper and European TSO representatives?	ESO / AM	5/20/2024	In Progress
A12.0	Confirm with group whether to create a sub-group on Connections	All	5/20/2024	In Progress
A18.0	For AM to take away and think about (how ISG scrutinise CP response from Government and look at redrafted BP3 objectives).	AM	Next Meeting (Virtual Nov 24)	
A20.0	AM to think about purpose of a response document and circulate thoughts to members. Might include description of engagement process, challenge, support provided by the group, conclusions reached etc.	AM	Next Meeting (Virtual Nov 24)	
A21.0	AM to circulate previous response document done for BP2 to ISG members.	AM	Next Meeting (Virtual Nov 24)	
A22.0	As members go through the document make sure that more specific issues are captured in writing so that they are raised and logged.	AM	Next Meeting (Virtual Nov 24)	

### Action items: Previously completed

ID	Description	Owner	Due	Status	Date
A1.0	Share the new NESO organogram with the group	ESO (AB)	5/20/2024	Completed	

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A3.0	Add possible sub-group approach to ISG ToR	ESO (AB)	5/20/2024	Completed	
A5.0	Look to have microphones spread around the room for future meetings	ESO (AB)	5/20/2024	Completed	
A13.0	Draft version of the Day 1 document to be shared, once agreed by ESO Exec, for feedback and review by the group	ESO	5/8/24	Completed	05/08/2024
A14.0	Virtual session to be scheduled to cover off the various deep dives discussed (including feedback on the Day 1 document)	ESO	TBC	Completed	12/09/2024
A16.0	Andy to review and provide approval that he is happy for the meeting 2 minutes to be circulated with the group	AM	ASAP	Completed	02/10/2024
A19.0	Virtual slots to be agreed and set up. Full document to be shared end of October	AL	Next Meeting (Virtual Nov 24)	Completed	14/11/24