

From the Future of Gas to Gas Advisory Council

Final meeting – December 2024

Housekeeping & presenters



Slides will be shared following the webinar



Please mute your microphone when not talking



Please raise your hand to ask a question



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Today's meeting

For the last Future of Gas Steering Committee meeting, we would like to discuss:

**The role of NESO
and gas in NESO**

30 min

**The transition from
FoG to GAC**

40 min

Discussion / Q&A

30 min

1. NESO and gas

The National Energy System Operator

The UK's 2023 Energy Act set the legislative framework for an independent system planner and operator to be set up to help accelerate Great Britain's energy transition, leading to the establishment of the National Energy System Operator (NESO).



Our Primary Duties

NESO will promote the following three objectives:



Net Zero
Enabling the Government to deliver on its legally binding emissions targets.



Efficiency & Economy
Promoting efficient, co-ordinated and economical systems for electricity and gas.



Security of Supply
Ensuring security of supply for current and future customers of electricity and gases.

Our Secondary Duties

NESO will also have regard to:



Facilitating Competition
Creating and maintaining competitive energy markets and networks.



Consumer Impacts
Understanding what changes mean for consumers.



Whole System Impacts
Understanding linkages across systems.

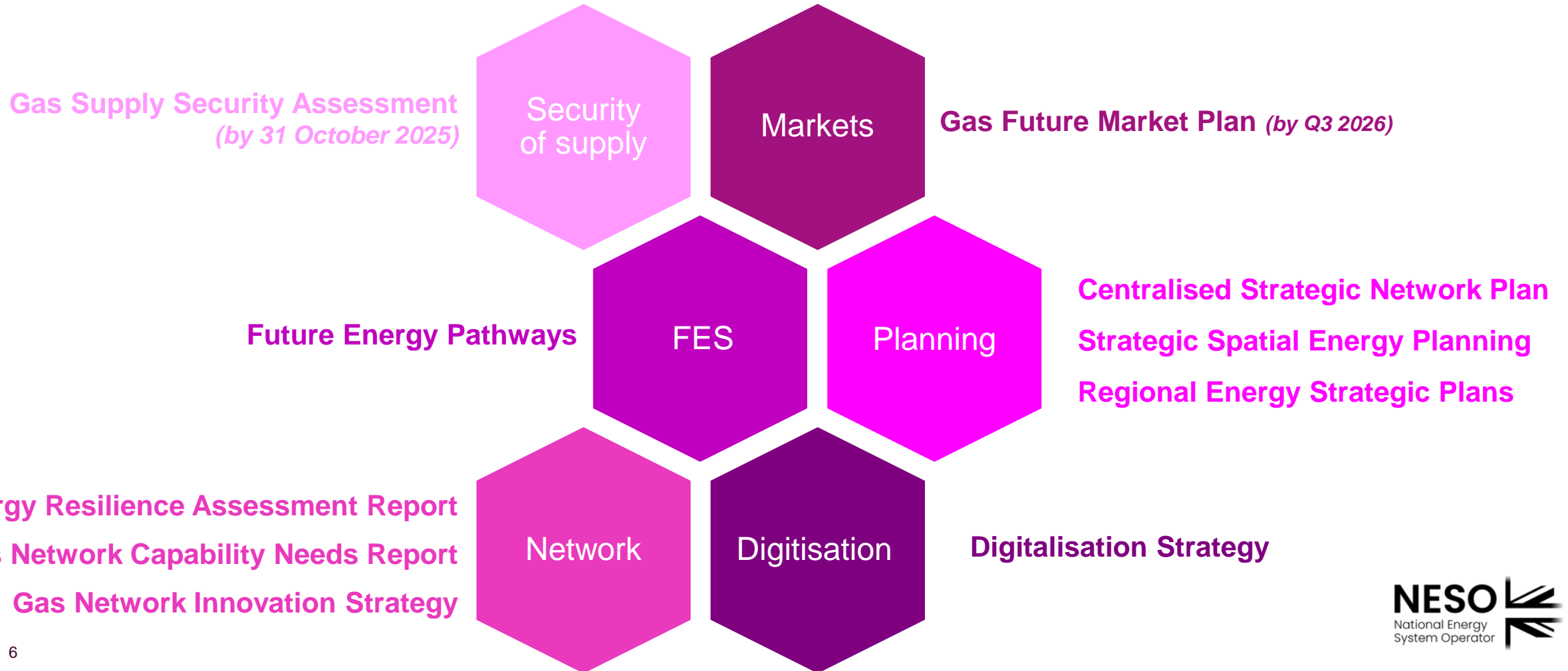


Facilitating Innovation
Creating an environment that enables others to help solve energy challenges.

Gas in NESO



Our license conditions include a range of publications that focus on whole energy systems and the role of gas. Inputs from these publications will feed into our markets work



NESO Gas Markets Team



▶ We analyse gas market changes to help accelerate Great Britain's energy transition and support a whole energy system approach.



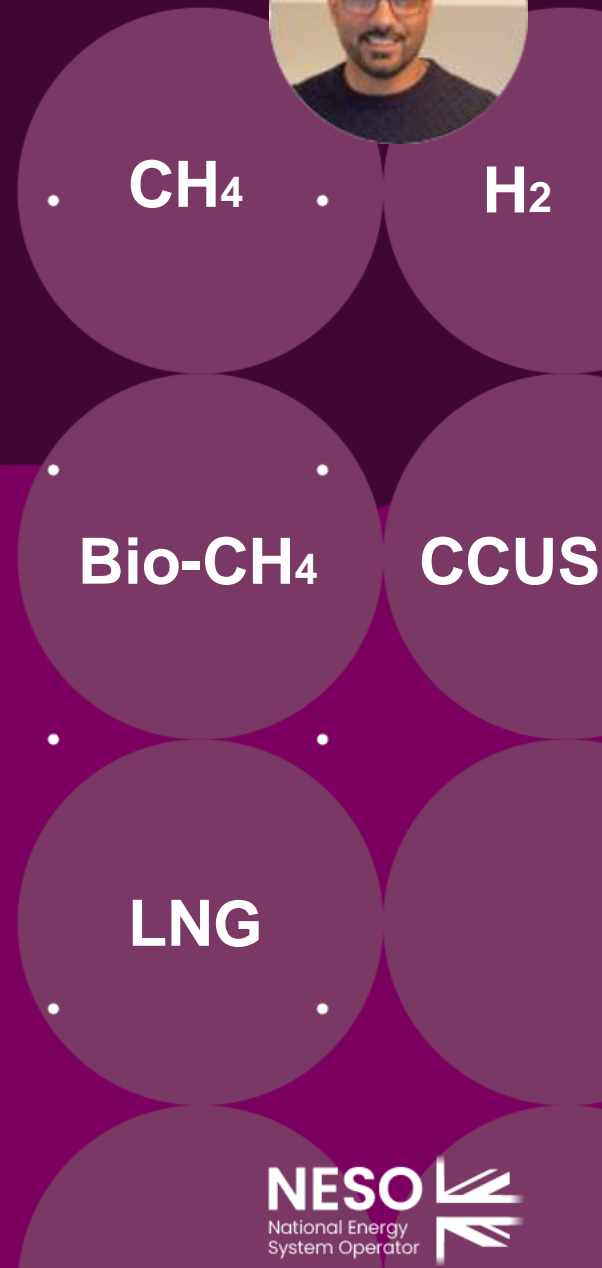
Understand the transformation of the gas system



Engage with all stakeholders



Support policymakers in adapting gas market rules



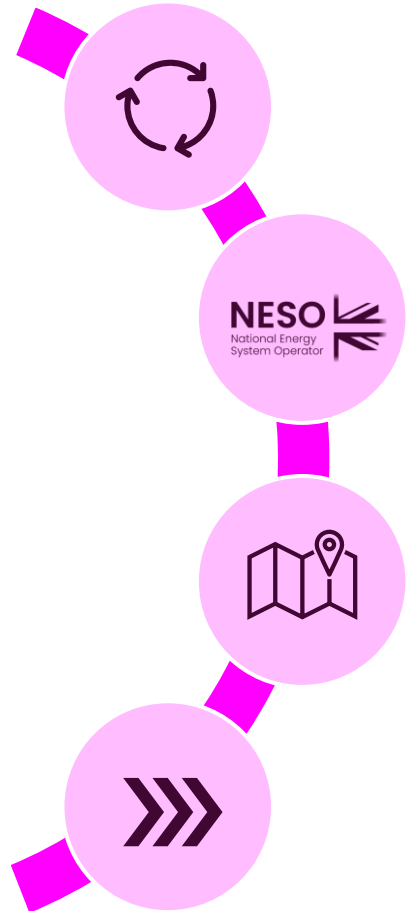
Curiosity

Credibility

Openness

2. From FoG to GAC

Timeline from Future of Gas to Gas Advisory Council



July 2024 - Future of Gas Steering Committee Webinar

Handover meetings with National Gas Transmission, Engagement with FoG members, planning and preparing for the new “Future of Gas” and Gas Market Action Plan Projects

October 2024 – NESO Day 1

Defining the Gas Market Team’s strategy and stakeholder engagement. Refining the aims statement and Terms of Reference for the Gas Advisory Council.

December 2024 - Final Future of Gas Steering Committee

Communicating the changes to the Gas Advisory Council and officially closing the Future of Gas Steering Committee.

January 2025 - Gas Advisory Council Launch

The GAC’s first working meeting will be held in January 2025 with projects immediately following the first meeting.



What's the Difference?

Future of Gas SteerCo

Organised and chaired by National Gas

Steering Committee

Gas transmission and markets

Natural gas and hydrogen markets

Exploratory discussions

Gas Advisory Council

Organised by NESO, Chaired independently

Advisory Council

Gas industry

Molecule Markets

Action-based

Gas Advisory Council Aims



Purpose

- An advisory council that can provide strategic outputs on the future of gas markets to ensure they are affordable for consumers, fair and considered across different molecular gases as well as sustainable.
- To be an action based group for gas market participants where cross sector opinions and priorities can be shared and discussed.
- To support NESO in fulfilling its Gas System Licence Obligations
- Potentially feed into advisory requests that NESO receive

Stakeholders

- Ofgem & DESNZ
- GAC participants & broader gas market
- NESO Board
- GAC NESO Sponsor – Director of Markets

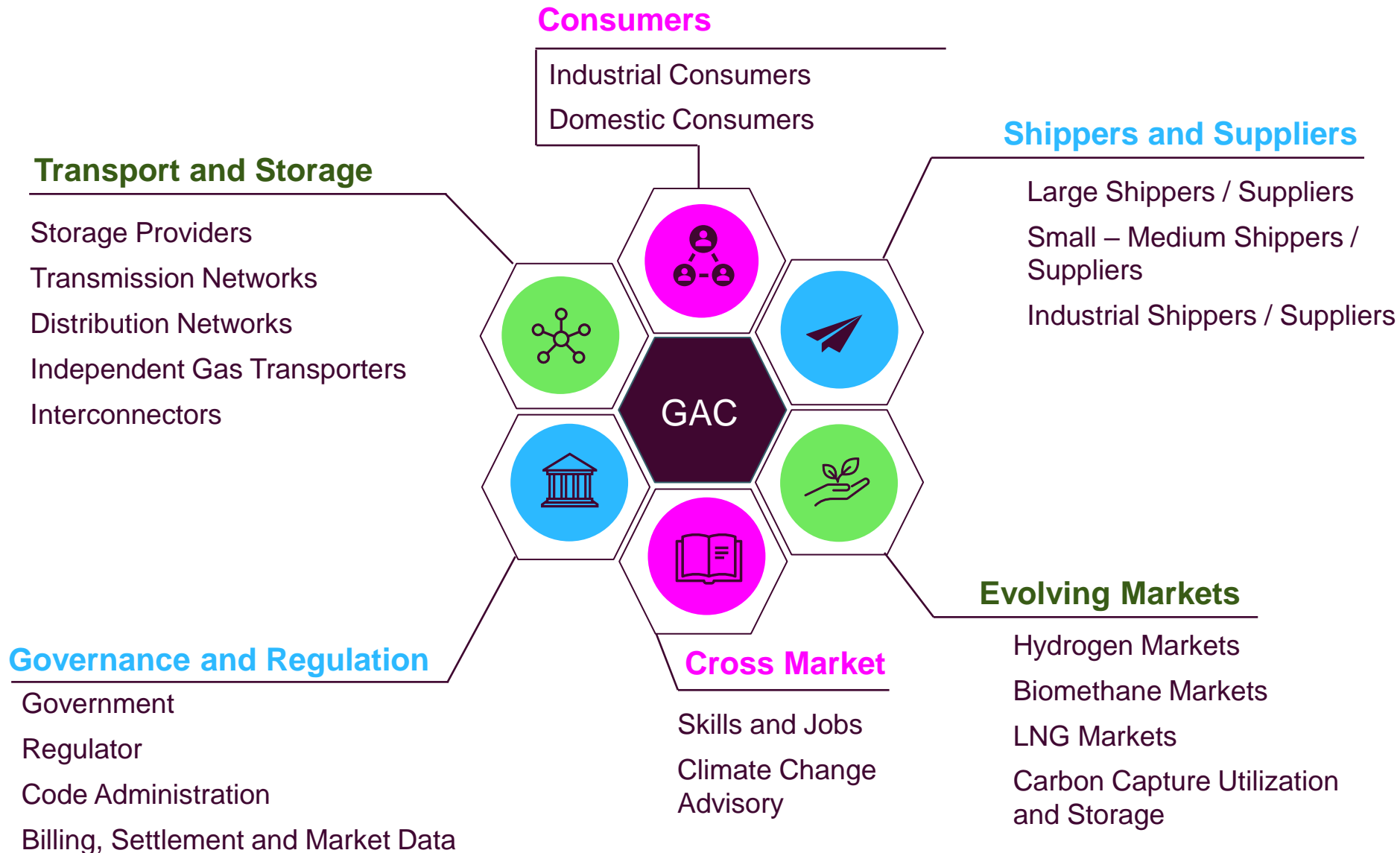
Success Criteria

- Projects run across existing and growth molecule markets with clear project execution plans and deliverables
- Targeted recommendations in the form of report, code recommendation or paper that can be taken forward by the relevant organisation to result in market change
- Positive feedback from members on the effective running of the group and projects delivered

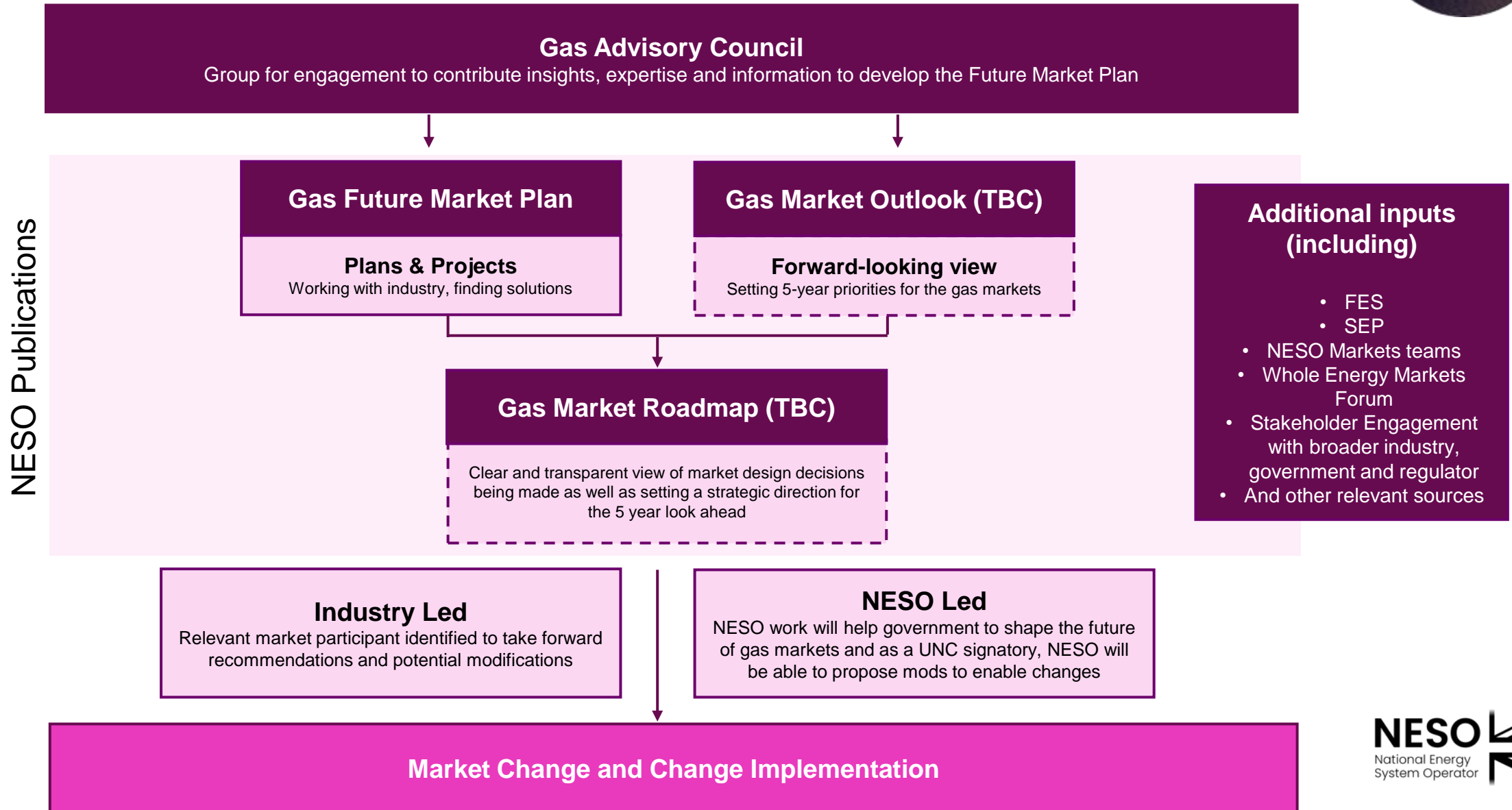
End Product

- Targeted recommendations – in the form of potential further research papers, recommendations for policy/legislation changes, changes to code.
- GAC projects (staffed by NESO but drawing on member SME knowledge) that will help to shape potential recommendations, and feed into the Gas Future Markets Plan and other publications.
- Quarterly meetings with a clear action log and material from each GAC session to be published on NESO website

The GAC will be made up of a number of market viewpoints



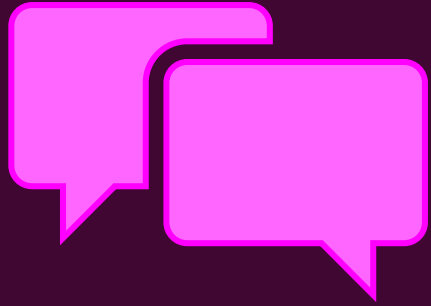
GAC Outputs 1: the Gas Market Roadmap





Next Steps





Your feedback and advice

Thank you