

Public

# Meeting minutes

## Gas Advisory Council

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**Date:** 30/01/2025      **Location:** London  
**Start:** 9:30 AM      **End:** 4:00 PM

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## Participants

Attendee	Attendee	Attendee
CCSA	IGEM	NESO (Technical Secretariat)
DESNZ	INA	OFGEM
Energy UK	Interconnector Ltd	FEN (networks)
FEN (biomethane)	Joint Office	University of Lincoln
Hydrogen UK	MEUC	UESO
ICoSS	National Gas Transmission	Xoserve

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## Discussion and details

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# Topics to be discussed

### 1. Opening remarks

NESO welcomed the participants to the inaugural meeting of the Gas Advisory Council (GAC). They highlighted the values and duties of the organisation as well as the engagement plan with gas and electricity stakeholders through Advisory Councils hosted by NESO.

### 2. Introductions

NESO gave the floor to Members for a round of introduction, asking for their expectations about the newly established GAC. Members primarily stressed the need to discuss and clarify the role of gas in a Whole Energy Markets approach and its integration with decarbonisation efforts (Clean Power 2030, Net Zero). Key topics raised by Members included security of supply, biomethane, hybrid technologies, carbon capture storage, long-term security of supply, the evolving role of IGTs, the future of gas versus hydrogen, and the need for collaboration and data-driven decision-making. The conversation revolved around the integration of various technologies and approaches to drive the decarbonisation agenda and develop a comprehensive energy market.

### 3. GAC Foundations

NESO explained the purpose of the GAC: an action-based advisory council looking across molecules to discuss and develop targeted recommendations. Asked about the evaluation criteria for the GAC assessment, NESO highlighted three lenses: Clean Power 2030, demand shifting and electrification requirements. The GAC will also ensure that any recommendations made are economically viable but also demonstrating the gas system can provide decarbonisation but also lower running costs. Asked about the interactions between NESO and the Gas System Operator, a Member indicated that despite gas market operations remaining within National Gas Transmission, the two organisations have an obligation to cooperate and ensure a safe operation of the NTS. Among other topics raised, Members

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flagged the need to understand the impact data centres will have on the energy system, the need to work and exchange with trading desks as well as building trust on the role of the gas system.

### 4. Whole Energy Markets Strategy

NESO presented the Whole Energy Markets Strategy it is developing to ensure the deployment of competitive, efficient markets across multiple energy vectors. NESO shared various Case Studies, focusing of long-term incentives across vectors to support security of supply and how coordination of connections policy across vectors could lead to more efficiency. Members highlighted an opportunity to better integrate strategic planning into a holistic market design. In the light of the report, GAC Members discussed the future of heating (especially district heating and hybrid heating) and the impact of subsidies in the development of a hydrogen market.

### 5. UK Gas Market Challenges

A series of key challenges identified by NESO for each molecule were shared to GAC Members, followed by a discussion. On Methane, a Member indicated the need to anticipate changes in gas quality requirements (with the injection of 'green gases' into the grid) and the impacts on assets value, especially because UK gas specifications are narrower compared to EU countries. On Biomethane, another Member stressed the need to update the assumptions around the potential of biomethane in the UK but also incorporate living standards in the economic models. Regarding hydrogen, Members discussed the costs of producing green and blue hydrogen and stressed how critical industrial clusters are for the hydrogen economy. The discussion continued towards the different challenges around blending hydrogen in the methane grid or developing a dedicated network. Last but not least, GAC Members discussed CCUS and the opportunity for the UK to develop storage assets, highlighting the need for the government to clarify the CCUS landscape.

### 6. Project Ideation

In order to develop Project proposals and structure the work of the GAC for the coming months, Members split into four groups (methane, biomethane, hydrogen and CCUS) to suggest ideas and possible project work for the NESO team.