

Public

Gas Advisory Council

Terms of Reference – January 2025

The National Energy System Operator (NESO) commenced its role on 1 October 2024. This new publicly owned organisation will strive to ensure a future where everyone has access to reliable, clean and affordable energy. NESO plays the unique role of driving reform across the electricity and gas markets. To optimise and design the energy system of tomorrow, we have embraced a Whole Energy Market (WEM) approach to ensure the development of competitive, efficient markets across multiple energy vectors.

As part of the Gas System Planner Licence Conditions, NESO will support the progression and development of emerging energy markets. A ‘Future Market Plan’ will be produced at least once every 2 Regulatory years; setting out actions, projects and plans to facilitate the transition of the gas market to a decarbonised energy system. In order to be assisted in this task, NESO shall engage and consult with Relevant Gas Market Participants.¹

Purpose

NESO is establishing a Gas Advisory Council (GAC) to structure its formal engagement with Relevant Gas Market Participants. This advisory body will act as a focal point for industry, decision makers, consumers, academics and civil society to discuss and explore the role of gas in a decarbonised, efficient and flexible energy system. This will look across molecules, consistent with NESO’s WEM approach. The group will act as an action-based advisory council. Whilst the group will not have any official decision-making powers, NESO considers the GAC to be an important body with a key role in supporting and challenging NESO in the way gas markets are developed.

Objectives

The GAC has two main objectives for the 2025-2026 period. First, GAC participants will provide resources, time and support to NESO in navigating through the evolving gas landscape (policy, regulation, commercial, social and technological). Working collaboratively, they will identify areas where improvements might be needed and policymaker recommendations developed. Second, the GAC will assist NESO to develop a Gas Future Market Plan by Q4 2026. Additional publications, reports or roadmaps may be identified during the GAC work, and NESO will look to the group to provide feedback, challenge and input as required.

Membership

The GAC will act an independent body, comprising members with a wide range of expertise who collectively represent the views and interests across the gas value chain. The group is proposed to have a simple structure, acting as a board of directors, with a Chair, Technical Secretariat, and Members. In addition, a Lead Sponsor (NESO’s Head of Gas Market Development) and an Executive Sponsor (NESO’s Director of Markets) will endorse the GAC work.

¹According to the [Complete Gas System Planner](#), Relevant Gas Market Participants means “*interested parties that the licensee determines should participate in the forum established under paragraph C7.4 in condition C7 (Arrangements in coordinating market strategy)*”.

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Table 1. Activities represented in the Gas Advisory Council

Shippers and Suppliers	Transport and Storage	Consumers	Evolving Markets	Governance and Regulation	Cross Market
Large Shippers / Suppliers	Storage Providers	Industrial Consumers	Hydrogen Markets	Government	Skills and Jobs
Small – Medium Shippers / Suppliers	Transmission Networks	Domestic Consumers	Biomethane Markets	Regulator	Climate Change Advisory
Industrial Shippers / Suppliers	Distribution Networks		Carbon Capture, Utilisation and Storage	Code Administration	Academia
	Independent Gas Transporters		Liquified Natural Gas Markets	Billing, Settlement and Market Data	
	Interconnectors				

Meetings structure

The GAC will convene on a quarterly basis beginning January 2025. Meetings will be hosted at one of NESO offices, where feasible, based on capacity. To ensure that agendas are comprehensive, and all members are aligned, preparatory virtual meetings may be organised, as required. For enhanced discussion on complex issues, working level calls, or virtual meetings with Subject Matter Experts (SMEs) may occur prior to full GMAC meetings. During full-day sessions, breakout discussions may be utilised to facilitate detailed exploration of specific topics. These breakout sessions, when held, will aim to support progress, and allow for in-depth contributions from all members.

Meeting Records

The Technical Secretariat will produce High-Level Meeting Minutes to summarise the items discussed, actions agreed upon, and decisions or recommendations made. The GAC will be aligned with all the Market Advisory Councils facilitated by NESO in terms of publishing the High-Level Minutes on our website following every GAC meeting, for any member of the public to access to where desired. To ensure continuous improvement, a feedback loop will be established.

GAC Projects

The GAC will support NESO to deliver Projects feeding into the Gas Future Market Plan, as required by the Gas System Planner Licence Conditions. These Projects will set a direction of travel on a specific aspect of the UK gas Market and propose recommendations to overcome the challenges identified.