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Meeting Minutes

Independent Stakeholder Group (ISG) – Meeting 3

Date: 13/08/2024 Location: MS Teams
 Start: 09:30 AM End: 12:00 PM

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Confidential	Attend	Amanda Webb	Attend
Zoe Morrissey (ZM) (ESO)	Attend	Ian Radley	Regrets
Hannah Kruimer (HK) (ESO)	Attend	Rob Lowe	Regrets
Emily Leadbetter (EL) (ESO)	Attend	Nina Skorupska	Attend
Andy Manning (AM) (Chair)	Attend	Goran Strbac	Attend
Alexi Reynolds (AR) (ESO)	Attend	David Mitchell	Attend
Aaron Ludford (AL) (ESO)	Attend	Rosie McGlynn	Attend
Adeola Onabanjo (AO) (ESO)	Attend (guest)	Barry Hatton	Attend
Sanjeet Sanghera (ESO)	Attend (guest)	Janet Wood	Attend
Folasade Adenola (ESO)	Attend (guest)	Janine Michael	Attend
Gavin Brown (ESO)	Attend (guest)	Mark Fitch	Regrets
Andy Dobbie (ESO)	Attend (guest)	Sam Mackilligin	Regrets
Alice Etheridge (ESO)	Attend (guest)	Marko Grizelj	Attend
Rebecca Yang (ESO)	Attend (guest)	Aileen Mcleod	Attend
David Wildash (ESO)	Attend (guest)	Rachel Fletcher	Attend
Michelle Berti (ESO)	Attend (guest)	Nick Sillito	Regrets
Elizabeth Allkins	Attend	Stuart Cotten	Attend
Tony Green	Attend	Gregory Edwards	Attend

Discussion and details

#	Topics to be discussed
1.	<p>Meeting Open - Zoe's welcome, scene-setting, general Q&A AM opens the meeting and hands it over to ZM to welcome the group and begin discussions.</p> <ul style="list-style-type: none"> ZM opens by discussing progress towards the Day 1 target date of 1st October.

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- ZM acknowledges since the last meeting the Government has changed, with a new target of Zero Carbon by 2030 as opposed to 2035. ESO has accepted it will take on the Clean Power Plan Commission to recommend to Government if 2030 is achievable, and how it could be reached.
 - AM asks if the commitments we are taking forward as NESO are set in stone. ZM responds that we have a statutory commitment and will continue with them and have set our organisation up to follow them.
 - JW enquires how our relationship with Mission Control is developing. ZM says we have a good relationship with Chris Stark and will work with DESNZ & Mission Control - both also beginning to establish how they will work together.

2. **Feedback on the Day 1 NESO launch document (excluding Reg Commitments) with EL**

EL introduces herself and discussed the scope and purpose of the NESO Day One Document. EL opened to the group for questions:

- GS flags the importance of strategic thinking and planning to help meet our timescales to deliver incrementally. EL agrees and says we are working with Future Energy Scenarios (FES) and doing horizon scanning.
- RF highlights the importance of low carbon flex towards our new roles. ZM agrees and adds the importance of DESNZ needing to effectively utilise flex and security of supply must move forward.
- AM says from consumer value, flex is more direct to consumer value. GS adds there is an increase to demand for flex from wind.
- NS suggests it's hard to capture the intent of the whole plan. Liked seeing the primary duties on Page 5 for Net Zero. Others may push back on it, but she likes it. Would like to see consumers more front and central and feels the document is a move away from a traditional ESO document. Few changes needed but commends the job and states it is a challenge to please all stakeholders.
- SC adds he likes the journey the document takes us on and the high-level beginning. Slides do get detailed very quickly, good to see acronyms but not clear as they could be within the document.
- JM finds it to be a good balance between high-level and detailed. Will email EL her full feedback.
- MG likes that clean power is an industry target, not all on NESO. Enjoys the 'FES in five' formats and highlights as best practice.
- RF lots reference to 2035, which is all going to help the theme of evolving challenges.

3. **Regulatory Commitments Session**

The purpose of this session was to further introduce the members to the Day One NESO document Regulatory Commitments.

Alice Etheridge (AE) – Strategic Planning

AE provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- RF feels the Gas network plan is innocuous - interested to know how that links in with wider government policy. Is there any more flesh that can be added to the sentence?
- BH asks if the decommissioning of the gas distribution network and regional energy system planning is ESO remit, or will you be sticking purely with the transmission?
- NS in strategic planning, what are the huge milestone government decisions? What does success look like? How will the interplay between GB network work?
- AE states that SSEP will help provide advice to the government on where they might need to introduce or change policies. Duty to provide advice.

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- AW requests quick clarification on the last bullet. AE Government asks how to accelerate delivery of the net zero electricity system by 2030, and we will provide independent advice on that. Working hard at doing that to try and provide a response by the end of October.
 - JW raises points about varying stakeholders and how to manage broad range of expectations and responses to that.
 - JM would be good to get clarity from NESO on how the results of consultation feed into national plans.
 - AE states SSEP doesn't mean can speak to all stakeholders directly but does need to find the best reps across society to help get correct input and feedback.
 - GS recommends DSOs can help with obtaining that feedback.

Gavin Brown (GB) – Systems Operations

GB provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- AM ask regarding the commitments to bring down balancing costs, how literally should audiences take that?
- GS flags on the bullet we should be looking more long-term than looking to 2030/2035 and should stress what we need to do now to achieve this.
- RF adds it'd be beneficial to get a clear picture of way markers on the 2030 journey.
- GB states we are trying to pull together the 2030 strategy but are focused on the current pathfinder. Working with industry for the longer term. Will take away the question on balancing costs from AM.
- ZM adds not in control of the markets and costs but takes point statements may need caveating appropriately in the document.
- RF asks if there is anywhere we define zero carbon, decarbonised electricity market or clean power 2030? Also regarding 2030, it will be very difficult because lots don't know we are not in control of it. For example, how quickly heat pumps are going to be rolled out. You're not in control of the speed of network delivery.
- NS queries who is the target audience you are appealing to? She highlights the phrase 'seamless' in the DSO. Who will find planning and operation 'Seamless'?
- SC states whether balancing costs go up or down over the long term, what you're having to show is where are you bringing the benefits to the system, it's the capability of showing what the counterfactual is and why the actions you are making are important.
- ZM says language-wise, we need to find common ground between caveats and overcommitments, but also being ambitious and punchy.

Rebecca Yang (RY) - Markets

RY provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- EA asks if we can provide some clarity on differences between or role and Elexon's as Market Facilitator for market flexibility.
- RY says Ofgem will consult on the role, but we can bring clarity in terms of what will be doing and the role of Elexon.
- EA says the coordination with DNOs will be interesting to know.
- RY suggests a one-to-one private conversation with EA to discuss insights she can help with.
- RF feels guidance on who to approach with a problem as an individual stakeholder would be helpful.
- ZM states we are working through documents and publications to clarify roles.

David Wildash (DW) – Connections

DW provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- BH feels what's not clear here is how you deal with the instances where you'll get conflict between demand customers who want to connect and the long-term strategic network investments.
- DW says we will have a holistic design view with a more coordinated network design. We are going over the governance to reform process.
- NS states that enhancing transparency and provision of data on the connection queue is pivotal to delivering clean power for the 2030s. Hopes NESO deadline dates are two or three years ahead of everybody else's to ensure it is clear and transparent for people to be able to be there for 2030 and meet the government's ambitions.
- RF asks if we can go beyond enhancing transparency to maximise it and ensure it is effective data.
- DW says with the 2030s deadline, we have short timescales for building infrastructure, so want to reform processes to make use of the finite resources we have. We do have new powers thanks to TMO 4. We will be launching Data Connection 360 soon and will go live within weeks, not months to try and make sure data is effective and open.
- ZM adds we are trying to tread the line on publishing better and improved data that is not commercially sensitive.
- RF says our purpose is to enable developers to come up with their solutions - NESO will not have answers to everything and that's too much commitment. We should define expectations, not the rules.

Andy Dobbie (AD) – Security of Supply (SoS)

AD provides an overview of how the Regulatory Commitments have evolved since the previous meeting. No initial comments questions/comments were raised by members.

Folasade Adenola (FA) – Resilience & Emergency Management

FA provides an overview of the Resilience & Emergency Management function. The questions/comments raised by members were as follows:

- JW asks how the Resilience & EM function links up with the Markets function.
- NS recommends a paper by [Emma Howard Boyd on Resilience](#) that explores the resilience of infrastructure in terms of the built environment.
- FA replies to JW that we are working closely with the Markets function and understand the need to get the balance between a resilient network and consumer benefit by not overspending.
- GS queries the third bullet point; could it be tweaked to make it clearer to align the decarbonisation with resilience and look at them together rather than in isolation? Would be useful to highlight interactions we have with DSOs and DNOs as we move forward as they also provide resilience.
- JM wondered if could draw out the opportunities and the benefits at the same time as the risks in the text. To articulate the wins that you're facilitating both from a security and resilience point of view from a language/semantics perspective.
- FA adds we are pulling out risks & mitigations, and opportunities we can leverage across the network. In terms of the third bullet point, we will ensure that there is a link between decarbonisation and resilience.

Michelle Berti (MB) – Data

MB provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- JW feels it may be useful to do some positive outreach into other sectors, as they may not be aware of the data available to them. Their data could also be beneficial to us.
- RF says there it's a lot about sharing data, but what about the data we use and capture across the systems?
- EA suggests might be valuable to reflect on some of the learnings from Crowdflex. Setting up via API versus SharePoint. Need to consider how we consume and communicate data, and how we are levelling that up to make sure not static. Need to consider data audiences, and how can DNOs use it for conflict resolution for different flex markets.
- NS for the role as the flexibility enabler and how does this link with all the data that's already collected by Electrolink and other activities? How people will start to play using this data and other new aspects, what will be the change mechanism? Owning and managing and auditing the authenticity of various data sources.
- MB states there's no current workstream to capture data from DNOs but it is something we could look at programme by programme in a case-by-case conversation. Need to look if we do more real-time data. The focus is on analysis of data. Ofgem consulting on data sharing infrastructure orchestrator role, NESO will be considered.
- GS asks if cybersecurity is included in our assessment to which MB replies that it is embedded in this and all functions.

Sanjeet Sanghera (SS) – Energy Insight

SS provides an overview of how the Regulatory Commitments have evolved since the previous meeting. The questions/comments raised by members were:

- AM asks with relation to consumer bills; different decarbonisation routes bring different costs with them which will fall on consumers differently. Need a central view of that.
- EA queries the 3rd point of the Energy Insight Regulatory commitments; how do you make sure you have the visibility and the input across that entire value chain to bring that to life?
- MG ask for some examples of how we will proactively demonstrate value and crystallise things.
- SS responds that affordability is front and centre on the pathway. We're looking into the whole energy value chain and gas on the margins and how that could have higher costs. With our unique data set to shed light on, but not give opinions, just facts, we are developing a list of insights we can share.
- EA flags that concerning affordability, there is a 20% increase in energy costs due to issues in Russia and Iran.
- AD (Security of Supply) is brought into this section. AD states seasonal outlooks have always been focussed on the supply of networks. In consumer bills, we can work with Ofgem in terms of stakeholder insights on market elements and if there is a gap for NESO to jump in.
- EA it's not immediately clear to stakeholders what that means in terms of what it is that you look at. That could come out a little bit more in the framing.
- ZM responds our energy insights depend on what the Government ask us to provide.

4. Business Plan timeline for development & overview

● Plan for next Business Plan

In this session, HK gave an overview of our approach and development to our next Business Plan, which we refer to internally as BP3. HK adds that BP3 will be built from the commitments made in this document and will be built into specific SMART objectives with success criteria. HK lays out the timescale for the development of BP3 and the touchpoints we will have with ISG to get feedback on the evolving document.

● Potential ISG Sub-Groups

AM talks about setting up sub-groups to help shape this, and how that can help with the development of BP3. Will organise that going forward.

- NS asks about getting early views ahead of Ofgem publishing consultation on the framework, HK adds we have a good understanding of what will be in the consultation from discussions we have had with Ofgem.
- HK says will build on Skeleton from these discussions.
- NS also asks about Ofgem policy consultation feedback; AM says can respond as a group and within organisations internally. Will decide as a group.
- JM asks about the link from BP3 to the Corporate Business Plan.
- ZM comes back to say that delivering together to take the unit to 2026, new boards, and lots of energy work to come, so will see where it goes. Our BP process will be done annually but need to wrap long-term elements of it going forward.

6. **AOB:**

- No further business was discussed.
- Next steps will be meeting invite for September virtual and October F2F ISG meetings.

Action Item Log

Action items: In progress (and completed since last meeting)

ID	Description	Owner	Due	Status	Date
1.0	Share the new NESO organogram with the group	ESO (AB)	20/05/2024	Open	15/04/2024
2.0	Cover off (flexibility) consumer impact in a future meeting	ESO	Click or tap to enter a date.	Closed	15/04/2024
4.0	Share an acronym glossary with the group	ESO (AB)	20/05/2024	Open	15/04/2024
6.0	Investigate the creation of a shared space / platform for ISG members to use and meeting papers to sit etc.	ESO (AB)	20/05/2024	Open	15/04/2024
7.0	Investigate membership gaps for local authorities, farming/agriculture, gas shipper and European TSO representatives?	ESO/AM	20/05/2024	Open	15/04/2024
8.0	Cover off contingencies and possible blockers to reaching the full ambitions across the five NESO roles in a future meeting	ESO	Click or tap to enter a date.	Open	15/04/2024
9.0	Cover off broader industry skills and capabilities needed in a future meeting	ESO	Click or tap to enter a date.	Open	15/04/2024
10.0	Continue conversations around framework planning and ensuring the NESO are held to account by stakeholders and how, at a future meeting	ESO	Click or tap to enter a date.	Open	15/04/2024

11.0	Future deep dive requested on the definition of cost effectiveness and how it is measured etc.	ESO	TBC	Open	20/05/2024
13.0	Draft version of the Day 1 document to be shared, once agreed by ESO Exec, for feedback and review by the group	ESO	TBC	Open	20/05/2024
15.0	Schedule a deep dive on potential future metrics post Day 1	ESO	TBC	Open	20/05/2024

Action items: Previously completed (where relevant)

ID	Description	Owner	Due	Status	Date
3.0	Add possible sub-group approach to ISG ToR	AB/AM	20/05/2024	Complete	15/04/2024
5.0	Look to have microphones spread around the room for future meetings	ESO (AB)	20/05/2024	Complete	15/04/2024
12.0	Confirm with group whether to create a sub-group on Connections	All	13/06/2024	Complete	20/05/2024
14.0	Virtual session to be scheduled (probably around mid-June) to cover off the various deep dives discussed (including feedback on the Day 1 document)	ESO	TBC	Complete	20/05/2024