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### **NESO RIIO-2 Business Plan 3 Consultation**

Dear NESO

National Gas Transmission (NGT) welcomes this opportunity to respond to NESO's consultation on your RIIO-2 Business Plan 3.

NESO have identified eight Performance Objectives that support the delivery of their Strategic Priorities between April 2025 and March 2026. Four of the Whole Energy related Performance Objectives particularly interact with NGT;

1. Strategic Whole Energy Plans
2. Fit-for-Purpose Markets
3. Secure and Resilient Energy Systems
4. Clean Power 2030 Implementation

#### Strategic Whole Energy Plans

NESO state that the Strategic Spatial Energy Plan (SSEP) will take "a holistic approach to national planning for electricity and hydrogen supply and storage in Great Britain". We note here the omission of natural gas in this whole system planning activity which potentially limits the scope of whole energy planning and misses the benefits hydrogen transportation could provide. It is not clear at which stage natural gas will be included in the SSEP and the impact of later inclusion of other vectors could have on these early stages. Although as specified in the Gas Options Advice Document (GOAD), the main consideration is the gas system, it is unclear how other vectors, including electricity, will be taken into account through this process.

A key aspect of identifying the preferred pathway should also include a robust measure of deliverability along with technical, environmental, and economic factors. This will help to identify the most appropriate pathway(s) for all the energy vectors. We believe cross-vector peer review with stakeholders should be undertaken and should not be limited to customers as referenced in the success measure.

Further feedback on this area will also be provided through our response to NESO's consultation on the Strategic Spatial Energy Plan Methodology.

#### Fit-for-Purpose Markets

Prior to the establishment of NESO, the Future of Gas Forum and Steering Group, along with the Gas Markets Plan (GMaP) was within the responsibilities of NGT. Transferring these responsibilities to NESO will have the benefit of bringing a greater focus on whole energy market design and coordination to optimise market solutions for the benefit of customers and consumers. We look forward to working with NESO to shape the whole energy market design, particularly around the role natural gas, CCUS and hydrogen can play in the market.

#### Secure and Resilient Energy Supplies

Clarity here is needed on the “Outlook” reports which NESO will publish as, for example, the accountability to prepare and publish the Gas Winter Outlook will remain with NGT.

#### Clean Power 2030 Implementation

Until the 2030 Delivery Plan is in place there is a limit to the KPIs and deliverables which can be put in place. We would encourage the inclusion of gas system operability, including natural gas, Hydrogen, CCUS and bio-methane given the importance to ensuring a secure and affordable transition.

We hope you find this feedback useful; we would be happy to have follow up discussions to expand further on any of the above areas.

Yours sincerely

Tony Nixon  
Regulation Director