

Confidential

Meeting 7: Independent Stakeholder Group (ISG)

11:15 – 12:45

Agenda

Agenda item	Lead	Time
Conflicts of interest, minutes review from previous meeting	Andy M	11:15
Overview of consultation responses and Ofgem feedback on BP3	Laurence / Rachel	11:20
ISG feedback on changes	All	11:40
What's next?	All	12:00
AOB	Andy M	12:30
Close	Andy M	12:45

Agenda – structure/objectives of detailed sessions

Agenda item	Structure of/ objectives of session
Overview of consultation responses and Ofgem feedback on BP3	Provide members with an overview of the consultation responses we received, and Ofgem's feedback on BP3.
ISG feedback on changes	Opportunity for members to provide their views and thoughts on our proposed changes to the final plan.
What's next?	Share a timeline for when we can expect to get determinations on BP3. Discussion on the future of the group in respect of the development of future framework, battle-rhythm of the group etc

Conflicts of interest, minutes review from previous meeting

Overview of consultation responses and Ofgem feedback on BP3

Feedback headlines

Stakeholder responses

- We had seven stakeholder responses to the consultation
- Overall stakeholders were supportive of the proposed Performance Objectives and level of ambition in the plan
- Some stakeholders questioned deliverability of the plan
- Specific feedback received on certain Performance Objectives, major deliverables and success measures

Ofgem feedback

- Ofgem requested provision of more cost data in the plan and questioned CP30 as a stand-alone Performance Objective
- Some areas of Ofgem feedback didn't align with stakeholder feedback e.g. around level of ambition in the plan

Feedback headlines

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Support for the Performance Objectives broadly covering the right areas of work

Ofgem Feedback

Agreed with PO subject areas, but question if the Clean Power 2030 PO should be standalone as many activities not specific.

NESO:

Will retain all POs, including CP30 as a standalone PO given its significance. Will update the success measures for the CP30 Performance Objective and intend to publish a plan on our actions to support.

Stakeholder Feedback

Stakeholders agreed with all the Performance Objective areas we set out in BP3. However, they flag the need for further details.

Make success measures more relevant, specific, measurable and timebound

Ofgem Feedback

Flagged many of the success measures do not enable effective measurement of performance and should be further developed to be more specific. Also expects us to incorporate relevant existing performance measures (BP2 metrics) as success measures.

Stakeholder Feedback

All responses flagged that many of the success measures do not enable effective measurement of performance and should be further developed to be more specific.

NESO:

Do not consider that the business plan, which is intended to be more strategic and outcomes focused, is the best place to provide the specifics and detailed analysis on any given deliverable. We are making amendments to seek to improve the success measures to articulate better within reason.

Increased detail on costs

Ofgem Feedback

Ofgem's top concern was that a greater level of cost justification is needed to enable them to do a proper cost assessment.

Stakeholder Feedback

Some stakeholders also reflected this point.

NESO:

Will provide considerably more detail as an annex to the Final BP3 to provide greater transparency on the make-up of our costs.

Ambition of our plan

Ofgem Feedback

Less supportive of the ambition of the plan. Questioned whether success measures which are licence obligations represent a stretching level of ambition. Following discussions with Ofgem, they clarified that they expect to see a measure of 'how' Performance Objectives are delivered, and where major deliverables are articulated through 'delivery by date', to ensure quality of delivery is measured.

NESO:

Will improve the articulation of deliverables to demonstrate the 'how' we will deliver and why this is ambitious. In some instances, more detail will come in stand-alone publications. We believe new obligations, SSEP, RESP, are a stretch, as first time. Don't want to go further, to risk the deliverability – an issue identified by stakeholders.

Stakeholder Feedback

Expressed that the business plan sets out an ambitious programme of work, highlighting the importance of ensuring the plan is deliverable, noting the significant capability build to deliver new roles.

Visibility of challenges and risk to delivery of Performance Objectives

Ofgem Feedback

No comment on topic.

Stakeholder Feedback

Suggested the business plan should also outline possible challenges/risks to the performance objectives and any mitigation measures in place to address them, to help manage expectations regarding delivery.

NESO:

Will add wording where appropriate and narrative on the risk. Detailed narrative on risk, contingencies and mitigation factors would be in detailed full publications for each PO.

NESO's engagement

Ofgem Feedback

No comment on topic.

Stakeholder Feedback

Many comments on the need for open and effective engagement against delivering on the commitments set out in the plan. Responses demonstrate they value existing engagement forums, and are keen to ensure their voices are heard as we publish the range of activities set out in the plan.

NESO:

We have not amended the plan in response to this feedback. We were already publishing a BP3 stakeholder annex which includes how we have engaged in BP2 and the work we are doing in BP3 to focus on customer centricity. Part of this work will look at consistency of how we engage with our stakeholders across all of our activities.

Relevance of BP3 to our RIIO-2 ambitions

Ofgem Feedback

Ofgem expect us to set out how BP3 will continue to deliver against the aims as set out in RIIO-2, to ensure we did what we committed to.

Stakeholder Feedback

No comment on topic.

NESO:

In the final plan we will make a clearer link between the RIIO-2 ambitions and the BP3 Strategic Priorities to ensure BP3 delivers against the aims as set out in RIIO-2.

Link between our BP3 activities, statutory duties and Strategy and Policy Statement

Ofgem Feedback

Ofgem would like to see the link between our BP3 activities, statutory duties and Strategy and Policy Statement more clearly articulated.

Stakeholder Feedback

No comment on topic.

NESO:

Will include a short section setting out how our Strategic Priorities were developed to enable delivery of our statutory duties and give consideration to the Strategy and Policy Statement priorities.

ISG feedback on changes

What's next?

Timeline for BP3 final stages



Future of ISG

- ISG input to BP3 has been very valuable
- We would like to continue working with the group to help us deliver in the best interests of consumers
- Future engagement topics/timings:
 - Development of our next Business Plan – Spring 2025
 - Our future regulatory framework – timings for engaging with the group TBC

Questions for the group:

- What would ISG members like to work with us on moving forwards?
- Are there any improvements we can make to how we work with you?



AOB & Next Steps

Meeting Close