

# Agenda

Item	Lead	Time (13:30 – 16:00)
Welcome	Rebecca Beresford (NESO)	13:30 – 13:35 (5 min)
Introductions Members of the EMAC	All	13:35 – 14:00 (25 min)
Markets Roadmap For discussion	Becky Hart (NESO)	14:00 – 14:45 (45 min)
Break		14:45 – 15:00 (15 min)
EMAC Foundations Purpose, Vision and Terms of Reference	Carlos Vallejo (NESO)	15:00 – 15:25 (25 min)
Future Topics For discussion	All	15:25 – 15:55 (30 min)
Close and Next Steps	Rebecca Beresford (NESO)	15:55 – 16:00 (5 min)



# Welcome



# Introductions





### **Our Primary Duties**

NESO will promote the following three objectives:



Net Zero Enabling the Government to deliver on its legally binding emissions targets.



Efficiency & Economy
Promoting efficient,
co-ordinated and economical
systems for electricity and gas.



Security of Supply Ensuring security of supply for current and future customers of electricity and gases.

### Our Secondary Duties

NESO will also have regard to:



Facilitating Competition
Creating and maintaining
competitive energy
markets and networks.



Consumer Impacts
Understanding what
changes mean for
consumers.



Whole System Impacts Understanding linkages across systems.



Facilitating Innovation Creating an environment that enables others to help solve energy challenges.





### Our Purpose, Vision And Values



Our purpose is to forge the path to a sustainable future for everyone.



Our vision is a future where everyone has access to reliable, clean and affordable energy; our work will be a catalyst for change across the global community.

Our values are what define us, setting the foundation for our purpose and guiding us as we move towards achieving our vision.



Accelerate Progress
We deliver better
outcomes at pace when
we take accountability,
are courageous and
progress the bigger
picture.



Be Curious
We achieve more when
we demonstrate a
growth mindset, being
curious, asking questions
beyond and within our
organisation to develop,
learn and innovate.



Build Trust
We build trust when we
listen to and understand
the needs of our colleagues
and customers, are
transparent with our
actions and deliver on our
commitments.



Create Belonging
We perform at our best
when we can be our true
selves, embrace diversity
and are truly inclusive.



### **Markets at NESO**

We **aim** to design market arrangements that facilitate **security of supply at the lowest sustainable cost** for consumers **while enabling the transition to net zero.** 

We drive **reforms across electricity and gas markets** and **collaborate across the industry** to shape
markets of tomorrow.

We are working to deliver competitive, coordinated and coherent energy markets that result in the most costefficient energy system and give us the tools and services to operate in a low-carbon energy landscape.



# We need your expertise

We are working to deliver **competitive**, **coordinated** and **coherent** energy markets that result in the most **cost-efficient energy system** and give us the tools and services to **operate in a low-carbon energy landscape**. To do this, we:

Anticipate the whole energy system's future requirements

collaborate internally & externally to implement market, services, and product changes that facilitate the transition to a secure, affordable, low-carbon energy system in line with policy

regulations and
frameworks are
future-proofed and
provide a pathway for
customers to drive
change



### Markets Leadership Organisation Chart



Rebecca Beresford Director of Markets



Jon Wisdom

Head of Market
Change Delivery



Penny Garner Head of Market Frameworks



Cathy Fraser
Head of Market
Requirements



Amy Weltevreden Head of Flexibility & Electricity Market Strategy



Cian McLeavey-Reville Head of REMA Programme



Lizzie Blaxland Head of Long term market design



Rebecca Yang Head of EMR Delivery Body

Implementing changes to balancing services markets

Building, maintaining and developing frameworks that are fit for purpose and deliver benefits for consumers and net zero Responsible for the frequency response and reserve policy, requirements setting and procurement.
Support design of new products and procurement mechanisms.

Strategic
development of NESO
markets, enabling the
competition, coordination and
coherent design of
electricity markets
ahead of REMA

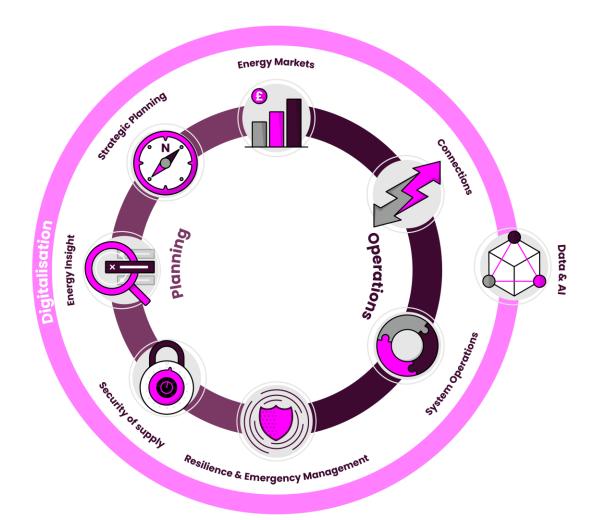
Ensures the REMA
Programme delivers
against its objectives,
and NESO is ready to
implement the
chosen solutions

Design future electricity markets and investment policies for a net zero system Facilitating the Contract for Difference (CfD) and Capacity Market (CM) regimes



# **Collaborative Synergies**

The Markets teams work closely with other NESO Teams to benefit from their insights.

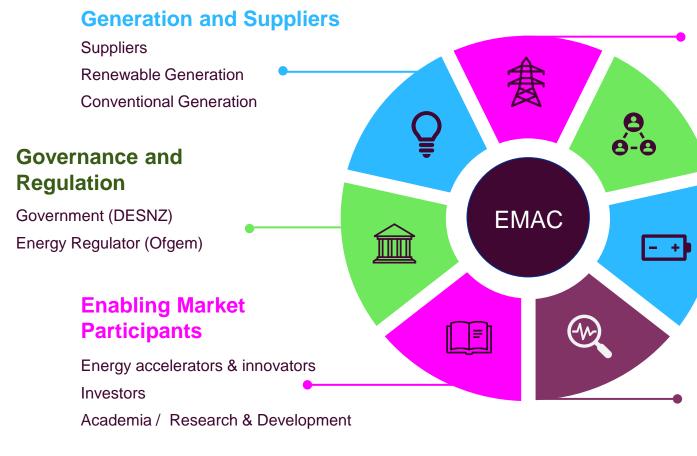




### **EMAC Members Roundtable**

Please introduce yourself – your name, role, and current area of focus

- What are your expectations for the Council?
- What you hope to gain or contribute?



### **Transportation**

International Transmission System Operators

**Distribution Network Operators** 

Interconnectors

#### **Consumers**

**Domestic Consumers** 

**Industrial Consumers** 

Data Centres / Energy Intensive Demand Centres

### **Flexibility Providers**

Demand Response & Flexibility Energy Storage

## Market Services and Mechanisms

Market Facilitator

Digital and Data Services



# Markets Roadmap

Becky Hart



## Agenda







Overview

Summary of key messages

What next for the report?



### **Overview**

### Objectives of the Markets Roadmap

To give our stakeholders confidence that we are making the right market reform and design decisions.

To provide a clear and transparent view of market reforms in a co-ordinated, coherent way which is accessible.

To share strategic direction for NESO markets and how we are working to enable Clean Power 2030 and sector decarbonisation.

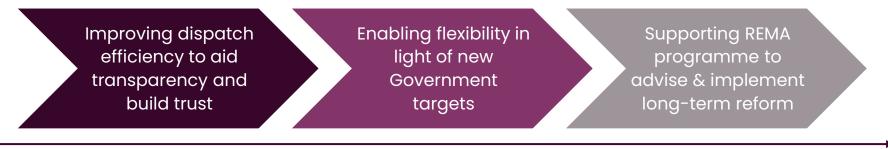


### Summary of key messages in 2025

### **Executive Summary**

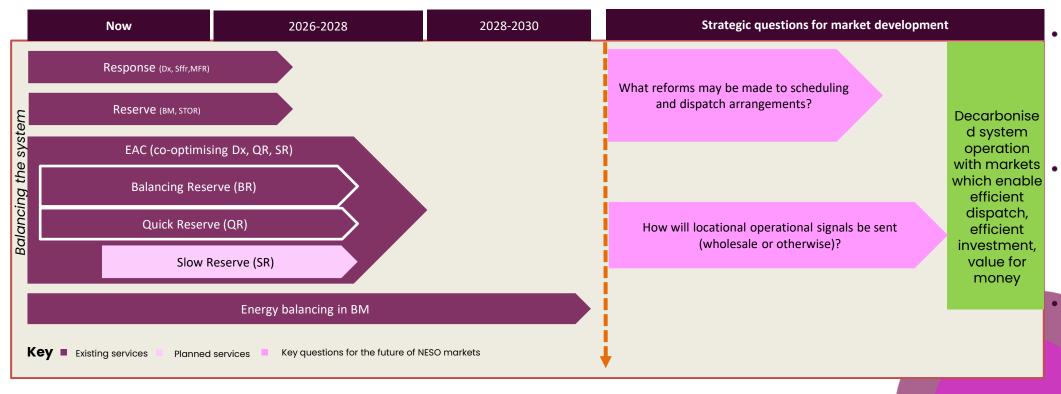
- Better alignment with the Operability Strategy Report with simultaneous publication
- Report structure and purpose is broadly consistent with previous roadmap documents
- Renewed focus on the energy trilemma and the crucial role of markets
- Introduction of "Overview of System Needs" section responding to stakeholder feedback

### Key messages from 2025 report:





# Balancing the System – forward looking view



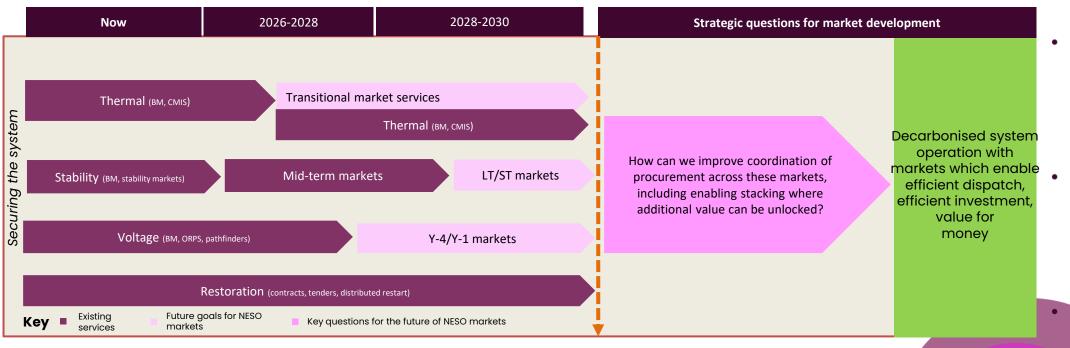
#### **2030 Ambitions**

**Response and Reserve:** Procurement will be co-optimised, with intraday an/or locational procurement if it beneficial to consumers

**Energy Balancing:** REMA will determine the long-term direction for the BM. In the meantime, we will continue to improve access and ensure level the playing field for participants.



## Securing the System – forward looking view



#### **2030 Ambitions**

Thermal: A range of market mechanisms to access all types of flexibility assets behind and in front of constraints

**Stability:** Three stability markets (Y-4, Y-1 and day ahead) providing availability payments to reserve capacity.

Voltage: A variety of means to send investment and dispatch signals for reactive power, including reactive power markets

Restoration: Increased number of restoration service providers, including distributed energy resources procured through competitive service tenders



### What next for the Markets Roadmap?

### **Key questions:**

How should the Markets Roadmap evolve now that we're NESO?

How can we improve the Markets Roadmap to make it more useful to market participants?

What means of communication should NESO be using when it comes to communicating about our Markets? Is a long report still relevant?



# Break



# **EMAC**Foundations

Purpose, Vision and Terms of Reference



# **NESO Market Engagement**

Whole Energy Markets Forum Gas Advisory
Council (GAC)

Electricity Markets
Advisory Council
(EMAC)

Previous nomenclature	Markets Forum	Future of Gas Steering Group	Markets Advisory Council
Format	Open events to the energy industry	Invite only	Invite only
Focus area	Cross market forum reflecting the priorities of the energy industry, NESO's role, and NESO's market activities. Understanding stakeholder views on how we are designing and developing markets of today and tomorrow.	Action based advisory council exploring strategic change across different molecules to transition the gas sector.	Council providing advice to NESO on pertinent electricity market topics, such as new policy & market design and growth of flexibility.
Outputs	Information sharing and opportunity for discussions and feedback on NESO's market development and design.	Targeted recommendations in the form of research papers, recommendations for policy/legislation or code changes. Input to the Gas Future Market Plan	Group discussion (minuted) including suggestions for how NESO can effectively design, prioritise and implement change across electricity markets.



# Terms of Reference

New draft Terms of Reference have been circulated in advance of the first EMAC meeting.

A final version will be made available after this meeting.









#### DRAFT

#### Electricity Markets Advisory Council

#### Introduction and background

The National Energy System Operator (NESO) was officially established 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 a unique role in driving reform across whole energy, including electricity and gas, and has a broad remit which spans markets, connections, strategic energy planning, resilience and emergency management, and system operations.

Within the Markets directorate, our responsibilities include direct reform of our ancillary services markets which keep the electricity system stable, as well as providing strategic advice to government on broader market reform. We value stakeholder engagement and collaboration on all of these themes and regularly engage across the industry via our Markets Forums, project-specific webinars/workshops, as well as written communication.

The Markets Advisory Council (MAC) was formed in 2022 as a strategic council of industry representatives to provide tailored advice to the Electricity System Operator (ESO), now NESO, on a range of market design challenges. The group has discussed ESO's Net Zero Market Reform programme, routes for developing flexibility, and the process for new ancillary service development, to name a few topics. As NESO, these updated Terms of Reference reaffirm the purpose and structure of this engagement forum, rehranded "Electricity Markets Advisory Council" (EMAC) to better reflect its scope alongside a new, separate Gas Advisory Council" (EMAC) to better reflect its scope alongside and new separate Case.

#### DRAFT

#### EMAC DRAFT Terms of Reference March 2025

#### Purpose

At a holistic level, the EMAC will help NESO set our direction for market reform, both in our own balancing services and in our advice and positions on wider GB energy market and policy reform. This will be done by:

- Providing input on our strategic priorities and plans for NESO Markets and their interaction with other NESO activities and responsibilities
- Providing support in ensuring transparency and stakeholder confidence around our strategic priorities for NESO Markets, helping us proactively and effectively communicate these to industry.
- Sharing expertise and perspectives from across the GB industry and internationally, acting as a feedback mechanism of industry priorities and concerns to ensure we proactively build these into our plans.

#### Membership (roles, responsibilities and appointment)

The EMAC will act as an independent body, comprising members with a wide range of expertise who collectively represent the views and interests across the electricity industry, with a deliberate focus on electricity markets. NESO will be responsible for arranging and leading each EMAC meeting, arranging when needed guest attendance by relevant NESO stakeholders.

The core roles are set out below:

#### Chair

#### Role and responsibilities

The Chair will be impartial to both the EMAC members and NESO, and able to act independently without bias or preference to ensure the Advisory Council has meaningful and fair outputs.

The Chair will provide leadership to the EMAC by:

- . Ensuring all voices are heard, and that the conversation is collaborative, productive and action based
- Ensuring that meetings are conducted in an orderly and efficient manner, in accordance with the Terms of Reference, and
- · Coordinating the agenda in collaboration with the Technical Secretariat.

If the designated Chair is not available for part or all of a meeting, then a formal nominee shall be agreed at that meeting with group members and will be responsible for convening and conducting the relevant meeting or section of the meeting. This will be facilitated by the Technical Secretary and be referred to as the Alternate Chair. The Albernate Chair is responsible for informing the Chair as to the salient points and decisions raised and agreed at the meeting.

#### Appointment

The Chair will be appointed for up to two years. Details of the Chair will be shared with the EMAC members







# **Electricity Markets Advisory Council Purpose**

An advisory council to provide **input** on our strategic priorities and plans for NESO Markets and their interaction with other NESO activities and responsibilities.

It will provide support in ensuring **transparency** and stakeholder confidence around our strategic priorities for NESO Markets, helping us proactively and effectively communicate these to industry.

By sharing expertise and **perspectives** from across the GB industry and internationally, the EMAC will act as a feedback mechanism of industry priorities and concerns to ensure we proactively build these into our plans.



# Roles and responsibilities

#### Chair

Serves as an impartial and independent leader of the EMAC, ensuring fair and meaningful outcomes.

- Leading meetings in a collaborative, inclusive, and action-oriented manner
- Ensuring orderly conduct aligned with the Terms of Reference
- Coordinating agendas with the Technical Secretariat
- Delegating to an Alternate Chair when unavailable
- The Chair is appointed for a term of up to two years

### Technical secretariat

Supports the Chair in ensuring EMAC runs smoothly by:

- Organising meeting logistics and invitations
- Coordinating agendas and sharing pre-read materials
- Taking and circulating meeting minutes
- Gathering feedback on EMAC's performance
- Acting as the main point of contact between meetings

#### Members

Members provide expert, impartial advice representing their market sector—not individual organisations.

- Share insights and review materials
- Participate in meetings, working groups, and breakout sessions
- Engage their networks to reflect broader sector views

**Attendance:** Members should attend all meetings or nominate a suitably briefed delegate in advance.

**Appointment:** Terms last up to two years, with nominations coordinated by NESO.

**Conduct:** Members must act impartially and avoid promoting company-specific interests. Conflicts of interest should be raised with the Chair or Technical Secretariat.

**Guests:** May attend by invitation from the Chair for specific topics



# **Meeting structure**

### Pre-meeting

- Agendas are coordinated by the Chair and Technical Secretariat, with input welcomed from members.
- Virtual prep meetings may be held to align on priorities.
- Pre-read materials and discussion questions will be shared in advance and may be circulated beyond members' organisations to gather broader input.
- NESO may share confidential pre-market work for feedback; this must not be further shared or treated as final.

### Meeting

- EMAC will meet quarterly starting June 2025. Meetings will last approximately 3 hours, with duration reviewed as needed.
- Location: Meetings will be held in person where possible.

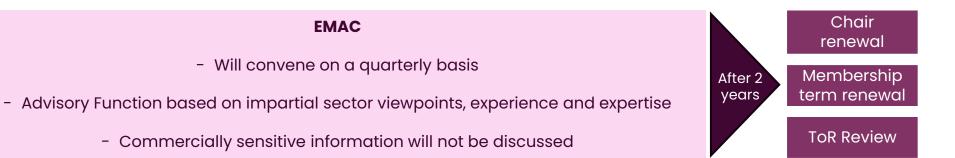
### Post-meeting

• Minutes and materials will be published on NESO's EMAC webpage.



### **EMAC Cadence and Look Ahead**





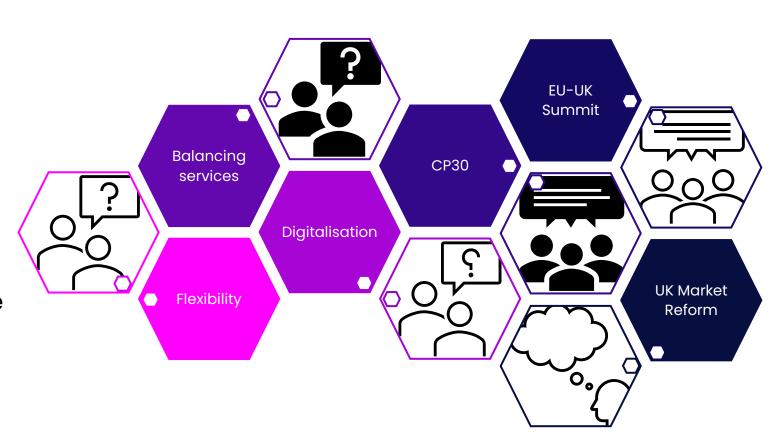


# **Future Topics**



### **Question for discussion**

- What topics would benefit from being discussed at the EMAC?
- Where do you see the biggest opportunities for impact?
- What emerging risks or challenges should the Council be proactively addressing?

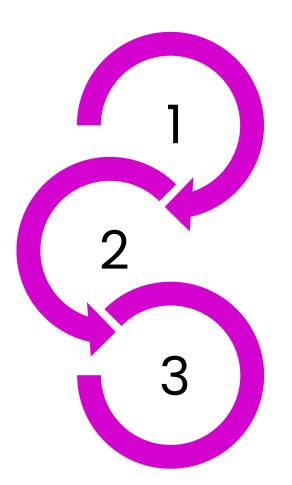




# Wrap up and close



# **Next Steps**



Confirm and circulate final Terms of Reference

Send placeholders for sessions up to the end of the year

Collate feedback on topics for future discussion and prepare yearly plan



