

Public

03 Gas Advisory Council

10th July 2025
London

03 GAC Agenda

10th July 2025 – London (SGN Offices)

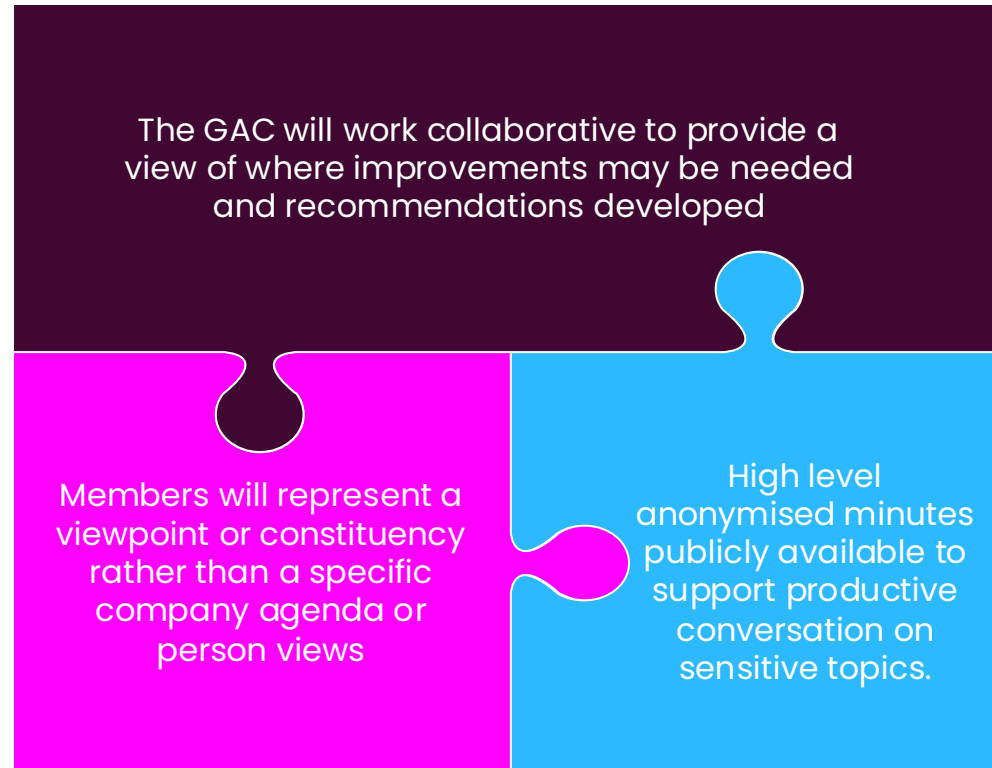
Time	Topic	Lead
10:00–10.10	Welcome	Chair
10.10–10.20	NESO updates and GAC Refresher	NESO
10.20–10:50	Ofgem Introduction and Q&A	Ofgem
10.50–11.00	Break	
11.00–11.30	“Update to Market” Discussion	DESNZ
11:30–12:00	GAC Projects: 02 GAC Recap and Progress	NESO
12.00–13.00	Lunch	
13.00–14.30	GAC Projects: Project Prioritisation, Planning and Next Steps	All
14:30–14:40	Break	
14:40–14:55	AOB+ (non-GAC related updates or communications)	All
14:55–15:00	Wrap up and next steps	Chair

03 GAC Objectives



Ways of working

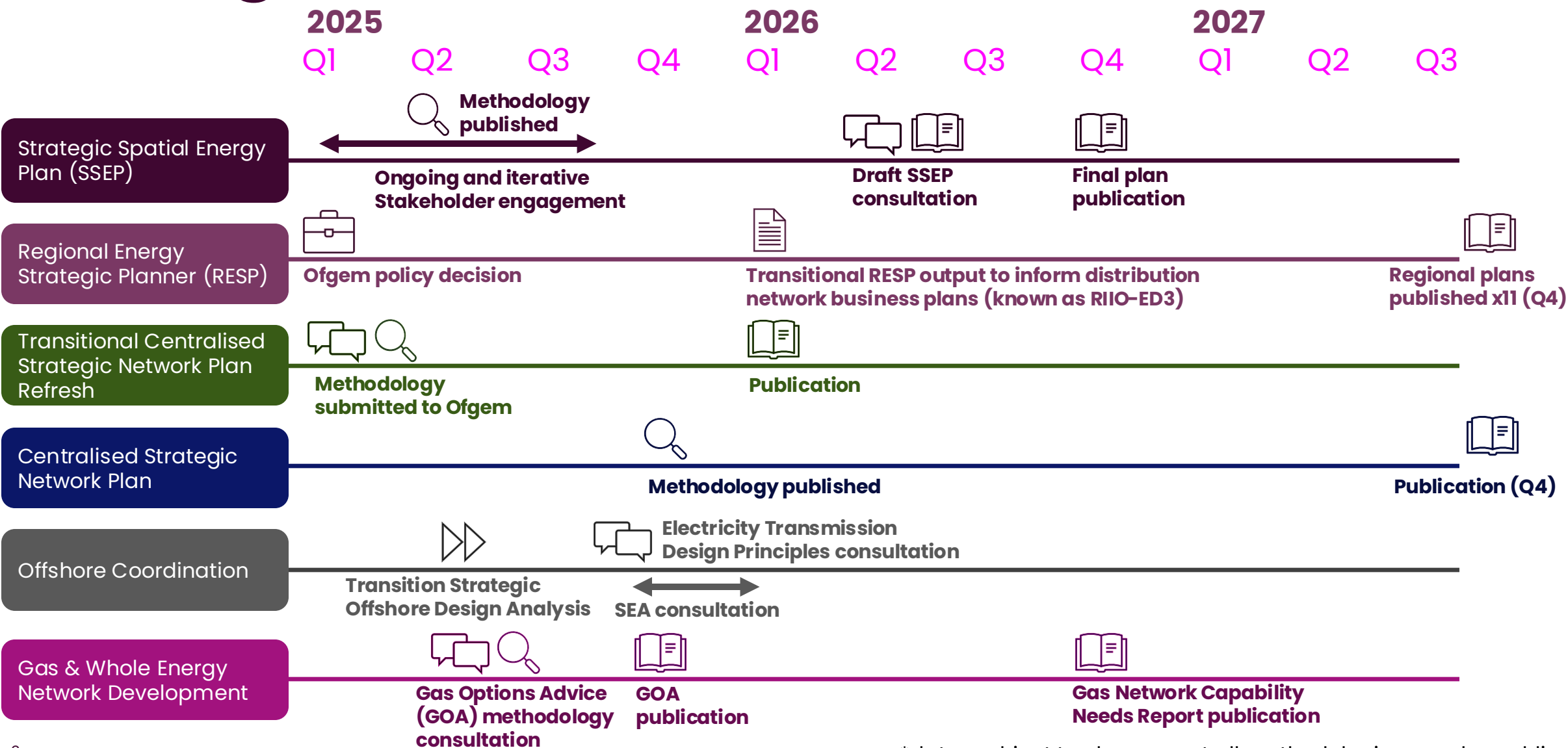
- The following have been taken from the Terms of Reference as a reminder as we move into actively working on projects



NESO Updates & GAC Refresher

Lizzie Blaxland

SEP high level milestones*



*dates subject to change; not all methodologies may be public

GAC reference points

Net Zero



Enabling the government to deliver on its legally binding emissions targets

Security of Supply



Ensuring security of supply for current and future consumers of electricity and gases

Economy & Efficiency



Promoting efficient, coordinated and economical systems for electricity and gas

Facilitating Innovation



Creating an environment that enables others to help solve energy challenges

Consumer Impacts



Understanding what changes mean for consumers

Facilitating Competition



Creating and maintaining competitive energy markets and networks

Whole System Impacts



Understanding linkages across systems

Our Markets Pillars

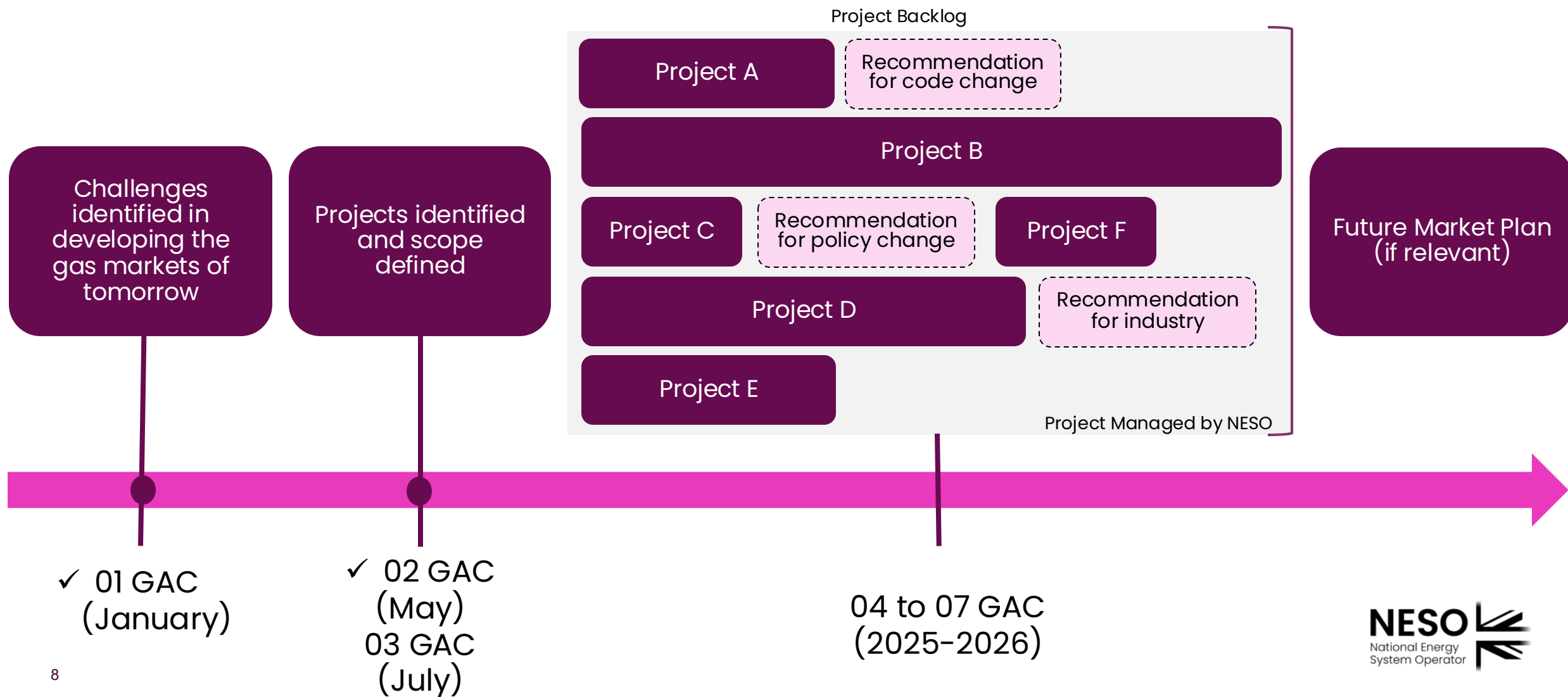
Explore gas market changes needed to support the energy transition.

Understanding the role of all molecules and their role in current respective markets

Understanding the role of new vectors and what is needed to develop a market

Understanding cross vector interactions (WEMs approach)

Gas Future Market Plan Projects



Ofgem Introduction and Q&A

Adrian Richardson

Ofgem Energy Markets & Security Presentation for Gas Advisory Council



10th July 2025
Adrian Richardson, Deputy Director, Energy Markets & Security

1. Principal Objective & Duties
2. Organisation (Infrastructure Group)
3. Strategy & Policy Statement
4. Strategic Priorities
5. Key Issues for Gas

1.3 The Authority's principal objective is to **protect the interests of existing and future consumers** in relation to gas conveyed through pipes and electricity conveyed by distribution or transmission systems. The interests of such consumers are their interests taken as a whole, including their interests in the **reduction of greenhouse gases in the security of the supply** of gas and electricity to them.

1.6 In performing these duties, the Authority must have regard to:

- the need to secure that, so far as it is economical to meet them, **all reasonable demands** in Great Britain for gas conveyed through pipes are met
- the need to secure that **all reasonable demands** for electricity are met
- the need to secure that licence holders are able to **finance** the activities which are the subject of obligations on them; and
- the need to contribute to the achievement of **sustainable development**.

1.7 In performing these duties, the Authority must have regard to the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.

1.8 Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

- **promote efficiency and economy** on the part of those licensed under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
- **protect the public from dangers** arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity; and
- **secure a diverse and viable long-term energy supply**, and shall, in carrying out those functions, **have regard to the effect on the environment**.

1.9 In carrying out these functions the Authority must also have regard to:

- the principles under which regulatory activities should be **transparent, accountable, proportionate, consistent and targeted** only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.



Department for
Energy Security
& Net Zero

Strategy and Policy Statement for Energy Policy in Great Britain

May 2024

Contents

Introduction	4
How to read this document	5
The Legislative Framework	6
Energy System: Roles and Responsibilities	8
Government	8
Ofgem	9
National Energy System Operator (NESO)	10
Enabling Clean Energy and Net Zero Infrastructure	11
Ensuring Energy Security and Protecting Consumers	12
Ensuring the Energy System is Fit for the Future	12
Cross-cutting	13
Section One: Enabling Clean Energy and Net Zero Infrastructure	14
Investment, Innovation and Competition	16
Strategic Spatial Energy Planning	16
Increased Network Capacity for Low Carbon Supply and Demand	17
The Role of Natural Gas and Hydrogen	19
Heat Pumps and Heat Networks	20
Carbon Capture, Usage and Storage (CCUS)	21
Nuclear	22
Section Two: Ensuring Energy Security and Protecting Consumers	24
Retail Markets	25
Consumer Protection and Enforcement	27
Low Income, Vulnerable and Fuel Poor Households	27
Security of Supply	28
Downstream Gas and Electricity Infrastructure Security and Resilience	29
Section Three: Ensuring the Energy System is Fit for the Future	30
Electricity Markets Fit for the Future	31
Flexible and Responsive Markets	31
Digital Infrastructure	33
Governance	35
EU-UK Trade and Cooperation Agreement	36

← All teams feature here

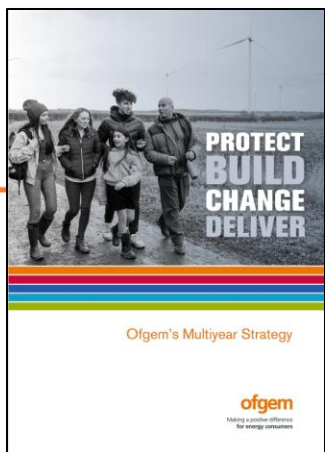
← EIMA
← GS, GSMO, HMF

← GS, GSMO & ESMM

← GS & ESMM

← ESMM & EIMA

← EIMA



Ofgem MYS: 5 Strategic Priorities and 17 Objectives

Shaping a retail market that works for consumers

Ensure fair prices

Ensure high quality of service

Enable competition and investability through financial resilience

Support new and evolving markets



Enabling infrastructure for net zero at pace

Progress strategic planning

Expand electricity networks

Prepare for the future of natural gas

EIMA

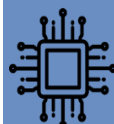
GS GSMO HMF

Facilitate deployment of low carbon technology

Network performance and connections

Secure and resilient supplies

GS GSMO ESMM



Establishing an efficient, fair and flexible energy system

Ensure the right governance and institutions are in place

Deliver effective and efficient market incentives and signals

Enable consumer-focused flexibility

Make a more digital energy system work for consumers

ESMM



Advancing decarbonisation through low carbon energy and social schemes

Increase impact for our customers

Maximise the value for taxpayers' money

Improve what it's like to work in Delivery and Schemes



Strengthening Ofgem as an organisation: Setting out how Ofgem will evolve to continue to deliver for consumers in an increasingly complex sector.

Gas Security

GECCA (Gas Enduring Capability, Competitiveness & Availability)

1. Cap: NTS Resilience (WIRP) → DD
2. Comp: Wobbe Upper Threshold (HSE)
3. Avail: Winter Margin
4. Avail: SPOFs & CUI Security
5. Avail: Network configuration

Gas Systems Mgt & Ops

Gas charging

- Comp: NTS Entry/Exit charges

Gas access & capacity

- Cap: Capacity allocation consultation (Rough, new LNG)
- PARCA Review

Gas connections

- Gas disconnections review CfE → RFI

GSO regulation

- Biomethane
- Shrinkage

Hydrogen Market Framework

1. Licensing choices
2. Gas Shipper Obligation
3. CBA & system modelling

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.

www.ofgem.gov.uk

www.ofgem.gov.uk

Update to Market

Ellie Adamiw – DESNZ

In the Midstream Gas System Update to Market, we identified three key challenges that we will be considering over the months and years ahead



1. Ensuring **resilience** of gas supply and infrastructure as UKCS production declines and reliance on other forms of supply increases



2. Balancing infrastructure **investment and affordability** to maintain a safe and reliable network while protecting consumers from spikes in bills



4. In the longer term, managing a planned and orderly **operational transition** as parts of the gas network are repurposed or decommissioned

For each of these challenges, there will be an opportunity to support and feed into policy thinking



In Autumn 2025, DESNZ will launch a consultation on gas system **resilience**



We will also publish a call for evidence on **network investment and affordability** in the autumn that will seek views on alternative investment recovery options.



In 2026, we will also look to publish a call for evidence seeking views on how to ensure **the transition is operationalised in a way that is fair, planned and orderly.**

GAC Projects

02 GAC Recap and
Progress

Approach to GAC Projects

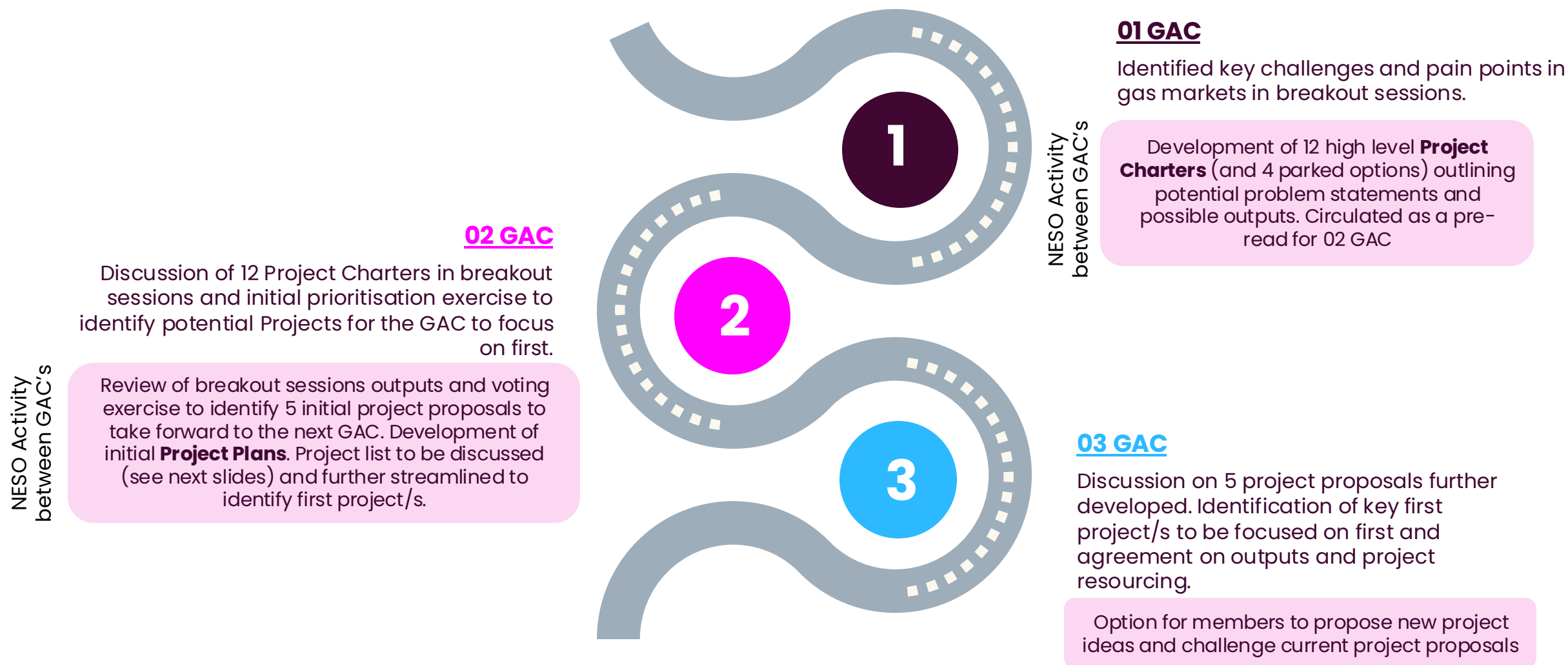
Golden rules

1. Projects are Member-led
2. As Tech Sec, NESO acts as a facilitator – we listen and draft/test proposals.
3. Projects will go ahead only if supported by Members
4. Projects should set a direction of travel on a specific aspects and propose recommendations

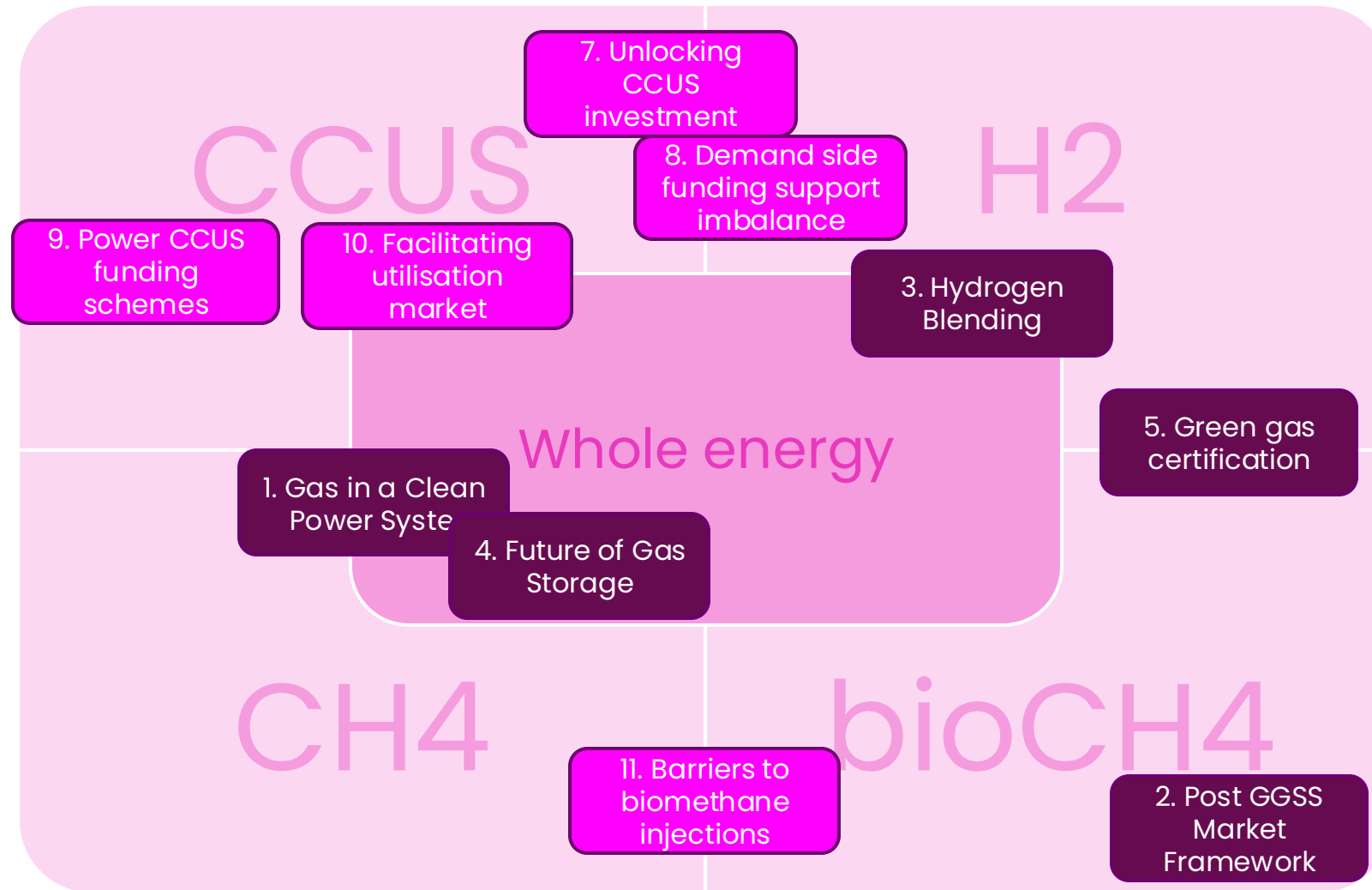
Principles set in the Terms of Reference

- **Transparency** – Roles, steps and deliverables should be communicated and operated in an open way so that GAC participants can trust that they are fair and honest.
- **Accountability** – Responsibilities should be allocated in advance and GAC members should be given regular report on their fulfilment.
- **Actionable outcomes** – Going beyond theoretical discussions, the outputs from the GAC should lead to concrete options of code changes, regulatory updates, or new legislative requirements.

GAC Project Ideation Journey to Date



GAC Project Ideation



GAC Projects

Project Prioritisation,
Planning and Next
Steps

GAC Projects Prioritisation and Planning

Recap

discussions to date

Summary of discussions to date and work undertaken by NESO in between meetings.

30 min

Validate

the Projects scope

GAC Members will evaluate the feasibility of the proposed Project Charters, discuss any potential milestones and project risks as time allows. Any other projects proposals for consideration should be bought forwards at this point.

Project 1
15-20 min

Project 2
10-15 min

Project 3
15-20 min

Project 4
5-10 min

Project 5
5-10 min

90 min

Plan

Next steps

Under the guidance of the Chair and the Tech Sec, GAC Members will agree on a clear priority list of GAC Projects to initially focus on.

Plenary session
15 min

Identification of subgroupings of members to focus on project/s

AOB +

Non-GAC updates

Wrap-up and next steps

03 Gas Advisory Council Meeting
Feedback



THANK YOU

Next meeting
9th October

Contact:
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