

Public

# Meeting minutes

## Independent Stakeholder Group (ISG) – Meeting 4

**Date:** 16/10/2025      **Location:** Face to face at IET London with some attendees virtual (MS Teams)

**Start:** 09:30      **End:** 15:30

### Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Nina Skorupska (Chair)	Attend	Rosie McGlynn	Attend
Zoe Morrissey – NESO	Attend	Andy Manning	Attend
Rachel Smith – NESO	Attend	Stuart Cotten	Attend
Carole Hook – NESO	Attend	Aileen Mcleod	Regrets
Amy Brooks – NESO	Attend (Virtual)	Elizabeth Allkins	Regrets
Aaron Ludford – NESO	Attend	Sam Mackilligin	Attend (Virtual)
Kayte O'Neill – NESO	Attend	Janet Wood	Attend
Tonderai Munetsi – NESO	Attend	Mark Fitch	Regrets
Anna Carolina Tortora – NESO	Attend (Virtual)	Andy Wainwright	Attend
Mike Marcus – NESO	Attend (Virtual)	Janine Michael	Attend
Ben Young – NESO	Attend (Virtual)	Marko Grizelj	Regrets
Jon Wisdom – NESO	Attend (Virtual)	Trevor Hutchings	Attend
Eric Jeanvoine – NESO	Attend (Virtual)	Amanda Webb	Attend
Cheng Chen – NESO	Attend (Virtual)	Goran Strbac	Attend
Becky Hart – NESO	Attend (Virtual)	Tony Green	Attend
Nicole Watson – NESO	Attend (Virtual)	Nick Sillito	Attend
Graham Morgan – NESO	Attend (Virtual)	Gregory Edwards	Attend (Virtual)

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Ayaaz Nawab – NESO	Attend	Rachel Fletcher	Regrets
Ian Radley	Regrets	Michael Ferguson	Regrets

## Meeting Summary

The Independent Stakeholder Group (ISG) held its fourth meeting on 16 October in person at the IET in London. Two members joined virtually via Teams.

The predominant focus was feedback from members on the draft NESO1 business plan shared with them for comment. Final feedback from the group will be used (where possible) to amend the plan before publication. Other agenda items covered our strategy, value for money and the role of flexibility.

### Meeting themes highlighted by members

- 1. Definition of terms used** – the importance of NESO being clear when using a term. For example, when we say industry, do we mean energy industry or wider sectors? Similarly for terms we use regularly like Connections and Skip Rates; what do we actually mean and are the uses consistent with the way customers and stakeholders view the terms.
- 2. Cost benefit** – the need to articulate a clear consumer-friendly representation of the cost benefit of NESO, and its activities. This included calls for clearer long-term cost communication linking infrastructure investment to consumer benefits.
- 3. NESO's Public Voice** – the importance of NESO being seen as an independent public voice and the need for proactive communication.
- 4. Political volatility** – reflections were shared on the current political views about net zero, and the impact that could have on NESO and its activities.
- 5. Roles and responsibilities** – understanding NESO's role in delivery and other activities and how that intersects with the role of Ofgem and DESNZ. How can NESO make this clearer to audiences?
- 6. Delivery Dates** – a request for more granular delivery views and clearer timelines for our priorities. A number of delivery forecasts had end of FY 27 / 28; how can NESO be more ambitious?
- 7. Dependencies** – interdependencies should be mapped between NESO, Ofgem, and DESNZ across deliverables.
- 8. Use of AI** – the use of AI phrasing and the need for responsible AI practices were discussed. Members praised NESO's Digital & AI Strategy.
- 9. Data** – the importance of NESO using and sharing high quality data.

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## Agenda

#	Topics to be discussed	
1.	<b>Welcome &amp; Introductions</b>	Nina
	<ul style="list-style-type: none"> <li>Nina opened the meeting, welcomed both ISG members and NESO colleagues and began introductions.</li> </ul>	
2.	<b>Conflicts, Minutes &amp; Actions</b>	Nina / Aaron
	<ul style="list-style-type: none"> <li>No conflicts were declared. The minutes from the previous meeting were agreed, and no objections were highlighted.</li> <li>Aaron highlighted that the two actions from the previous meeting would be covered in this meeting (see Corporate Strategy &amp; Flexibility Revisit agenda items).</li> <li>Group members decided not to hold a closed session at the start; this would take place at the end instead.</li> </ul>	
3.	<b>Q&amp;A with Kayte O'Neill</b>	Kayte
	<p>Kayte O'Neill – NESO's Chief Operating Officer presented an overview of current key topics facing NESO. Kayte highlighted:</p> <ul style="list-style-type: none"> <li>Our progress in delivering winter readiness activities.</li> <li>Our publication of Gas Security Supply Analysis (Nov 2025) and 2027–2030 Gas Resilience Forward Look.</li> <li>The Review of Electricity Market Arrangements (REMA) decision, implications for spatial energy planning and progress on the Review of National Pricing Programme (RNP) and balancing reform.</li> <li>The importance of us setting out actions to try and support the energy industry in tackling constraint costs, which are estimated between £8–12 billion by late 2020s.</li> <li>Progress on the Reformed National Pricing (RNP) and balancing reform.</li> <li>The strategic energy planning activities and touched on the delay in publishing due to delays in external parties sharing data.</li> </ul> <p>Kayte then offered to discuss Connections Reform, but the group said that could be discussed later. She opened to questions/comments from members. Topics raised included:</p>	

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### **Political impact and public perception about grid investment costs**

- ISG Q. How can NESO provide clearer cost narratives; to demonstrate we add value?
- NESO A. The cost narrative public perception lies with DESNZ and Ofgem, not NESO. NESO only contributes analysis and evidence.
- ISG response – There was then a request for NESO to deliver clearer long-term cost communication linking infrastructure investment to consumer benefit. Another ISG member stressed that NESO do have a role to play in the wider cost narrative.

### **Resilience**

- ISG discussion – Emphasised need for strategic thinking to show long term benefit and digital smart controls. Stronger links were called for between NESO and Distribution System Operators (DSO's) in resilience. Proposed action to revisit resilience links and include DSO integration at next meeting.

### **Roles & responsibilities of public messaging**

- ISG Q. What is NESO's public positioning versus GB Energy and other agencies? There is confusion for external parties which could impact on investment. NESO can add value by being seen as an independent public voice.
- NESO A. Kayte reiterated NESO's neutrality, avoiding overlap with DESNZ policy roles. She agreed that proactive communication can add value, and we need to understand where our voice can add value.
- ISG response – There are concerns about public accountability for example, the Government's commitment for a £300 energy bill reduction, where responsibility for that sits and public perception of who is ultimately responsible for that. The threat of political influences on investment was also highlighted.

### **Clarity of terminology used by NESO**

- ISG discussion – The use of the term "industry needs" was flagged and members requested clarity of whether "industry" refers to energy industry or commercial/business sectors. They elaborated that more thought needs to be given to large users – not just connection and capacity.
- NESO A. Kayte agreed and said there is resource within Flex teams to support this.

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### NESO's role in costs

- ISG discussion raised the following points:
  - The draft business plan focused a lot on consumer value, but important to recognise consumers care about the price of their bill, and what benefit they get.
  - There are dependencies impacting NESO's delivery which are also levers for NESO engagement including constraint costs, smart meters not working, infrastructure build and crowd flex.
- ISG. There is lots of public narrative created regarding wind farms being switched off, but never the full picture of the costs, why and how actions could be taken to address this. It should be NESO's role to surface this.

### Data centres, Connections & use of AI

- ISG Q. It is not clear in the narrative if this has been factored into the modelling and are NESO using data in a responsible way?
- NESO A. Kayte confirmed data centres are on our radar, particularly in the world of connections. She then elaborated on our progress as on Connections Reform. She stressed the levels of assurance in place to make sure decisions and outcomes on Connections Reform are correct and transparent. Next window will likely be in the new year (2026).
- ISG discussion – Lots of talk about potential for off grid private wire data centres with own generation, and the impact that could have on grid flexibility. The member said they would share relevant case studies with Zoe M and Kayte.

### Community energy

- ISG discussion – Flagged the importance of NESO engaging with local energy communities and recognising the value of community energy. The group debated NESO's stance on planning agnosticism regarding community vs commercial energy.
- NESO A. Kayte confirmed our neutrality on this topic is by way of a licence obligation for independence.

## 4. Strategy to Planning

Graham  
Morgan

Graham outlined NESO's strategic delivery roadmap, role structures, and activity sequencing. He introduced the "red line" strategy diagram showing core deliverables and links between our strategic priorities and the Performance Objective (PO) groupings. Feedback from members was:

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- NESO to provide one-pagers to make the information accessible for wider audiences. NESO's positioning in relation to GB Energy, Ofgem, and DESNZ was also questioned.
- The risk of using the word "affordable" in our text considering how subjective affordable is, and how NESO assess what is affordable.
- The need for a risk matrix to show interdependencies.

Graham confirmed work is work underway to highlight the interdependencies between NESO, Ofgem and DESNZ across our deliverables, specifically with those that are "too important to fail". Will take the point on the use of affordable away.

### 5. **Draft Business Plan Performance Objective (PO) Feedback**

The meeting then focused on specific feedback on each of the POs within the business plan. A round up session on general feedback would be held later in the agenda.

#### **Enabling Smarter, Cleaner Markets – Jon Wisdom**

Jon presented an overview of how the PO had been shaped by stakeholder feedback received to this point. He then opened to the room for further comments, which were:

- Concerns that milestones were in a cluster for delivery in FY 2027–28 and a more granular delivery view was requested.
- There are gaps in the objective related to localised energy planning and flexibility and the opportunities for flex regarding planning.
- The inclusion of dependency mapping for trust and delivery alignment is needed.
- There should be a focus on accessibility and flexibility capacity growth.
- NESO's communication strategy in markets needs to provide clear information.

Jon thanked the group for their suggestions and noted he would reflect on their feedback.

#### **Delivering a Decarbonised, Operable Grid - Cheng Chen**

Cheng presented an overview of how the PO had been shaped by stakeholder feedback received to this point. He then opened to the room for further comments, which were:

Jon Widsom,  
Cheng Chen  
Ben Young  
Anna Carolina  
Tortora  
Eric Jeanvoine  
Mike Marcus

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- Praise for the visual diagram in the objective showing links between activities and outcomes. However, concern was also expressed about clustering of outputs in late 2027–28; phased visibility was requested.
- Concern about the phrasing “enable timely connections” being a big statement NESO could be held to account for. Cheng agreed would take this away.
- A discussion on the calculation of some of the costs set out in the plan, and how stability will be coordinated with ancillary services doubling. Kayte agreed we would take this point away for reflection.
- A need to sense check NESO’s view of connections (definition) against the definition of energy industry and demand connections – it can be confusing what we are referring to and when.

### Planning a Clean Energy Future – Eric Jeanvoine

Eric presented an overview of how the PO had been shaped by stakeholder feedback received to this point. He then opened to the room for further comments, which were:

- It is reassuring there will be a “no regrets” SSEP Pathway but how can NESO surface trade-offs with cost across the energy trilemma, particularly in a volatile political environment? How do NESO make sure the pathways are robust, and investment is unlocked by these plans? Eric highlighted the endorsement success measure and that trade-off visibility is included within the SSEP methodology.
- Future Energy Scenarios (FES) recognises biomethane, which is referred to within this PO, but need to make sure it’s role in RESP is clear. Eric will take the point away to ensure the biomethane reference is clear.
- The £300 million value of renewable deployment seems a little small, how was this calculated? The independence of recommendations from NESO to Secretary of State was also questioned. Kayte responded that we don’t recommend pathways to Government, we provide methodologies which tests for all factors so Government can decide using a clear data set out. We do not provide a steer. The same ISG member responded that it is important that Strategic Planning demonstrates both long- term and short-term benefits as consumer focus is typically short term with worries on the current cost to their bills.

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- How do heat networks and electrification of transport feature in the planning? Concerns were also highlighted regarding the cost of buildings for regional teams and other NESO costs. It is important to make sure NESO build on industry advice and initiatives on network planning to avoid duplication and unneeded costs.
- Strategic planning could be a double-edged sword in terms of cost benefit. Where possible, need to reduce, reuse and recycle – establishing new offices could leave NESO vulnerable for comment or criticism cost wise.
- Transparency best practice should be consistent across all strategic planning. Clarity is needed on use of term of industry, and links between certain types of connections and strategic planning.
- The importance of long-term benefits of secure energy, and what we need to do today.

Eric thanked members for all points and confirmed that the £300 million figure has been removed. He took the other points away for review.

### **Delivering a Decarbonised, Operable Grid – Ben Young**

Ben presented an overview of how the PO had been shaped by stakeholder feedback received to this point. He then opened to the room for further comments, which were:

- The importance of NESO using high quality data for decision-making, as NESO control room are only as good as the data being used.
- The use of AI forecasting, and the kinds of AI architecture that will be used should be defined within the business plan document. Carolina advised she would answer this in her section.
- AI is currently a buzz word across the energy industry. NESO need to make sure there is accuracy about use of phrases as different forms of forecasting have been done before.
- What story is told by the measures in the appendix e.g. the numbers on the balancing mechanism? Zoe agreed and said we would take this point away.



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### **Building a Digitally Connected Energy System – Anna Carolina Totorá**

Carolina presented an overview of how the PO had been shaped by stakeholder feedback received to this point.

Carolina then responded to the query put to Ben in the previous section regarding AI forecasting:

- We have built a time series foundational model from scratch with NESO data, using machine learning to get a better forecasting result.

Carolina then opened to further feedback from the room comments and questions, which were:

- What engagement is NESO undertaking with external stakeholders we used for the assurance of the forecasting model to verify accuracy? Carolina provided an overview of stakeholders including the Alan Turing Institute, Open Climate Flix, other organisations and our Technology Advisory Council (TAC). We are also working with Ofgem and DESNZ to ensure other AI tools used in industry assured.
- NESO's Digital & AI Strategy was highlighted as an example of best practice, citing its clarity, level of detail, interdependencies and delivery assurance. There were requests for a similar level of granularity of the delivery dates in the business plan.
- Will NESO use AI to analyse other variables like the performance of delivery partners? Carolina flagged that in the innovation space we are developing another AI tool to review other activities that could impact UK energy system, for example foreign policy, organisations moving etc to make sure this helps inform decisions. Carolina added we are working to get other data from construction across other sectors to help shape strategic energy planning.
- The ethical considerations associated with machine learning tools and the implementation of responsible AI within an effective control framework were discussed. An ISG member suggested aligning with Innovate UK's ethical AI standards.

### **Driving Whole-System Resilience – Mike Harcus**

Mike presented an overview of how the PO had been shaped by stakeholder feedback received to this point. He then opened to the room for further comments, which were:

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- The link between resilience and Distribution Networks is clear in the plan. Zoe agreed and stressed the coordination across all aspects of resilience, not just traditional energy companies.
- There are lots of activities which could impact the success measure on robust energy system resilience assessment. For example, if there is a change in the role of batteries, how do we demonstrate fluidity within the objective?
- Any lessons learned from other incidents like Iberia should be made clear in this PO. It should also include dependencies on working with European partners and be clear about NESO's role in enforcement action being taken on energy parties for resilience purposes, i.e North Hyde. Mike said we would take the points away, but spoke about our role to forward look, as opposed to enforcement which sits with the regulator. We will just gather facts and share findings.
- A stronger link is needed between flexibility and resilience in this PO narrative.
- The reliability of the gas supply standard (vs electrification which could lead to outages) should be noted in the context of resilience. Zoe recognised the point and asserted resilience must be top priority.
- Where do the resilience standards come from for potential heat networks, heat transmission and transport? This will potentially be followed up on at a future ISG meeting.
- The wind forecasting for wind farms was highlighted as a gap in context of security of supply. Mike confirmed we have a secondment from the Met Office to help with our modelling on wind and that we are working closely with Met Office.

### 6. **Value for Money**

Graham  
Morgan

Graham introduced NESO's draft Value Framework which has been developed in consideration of best practice (using the Green Book and Magenta Book). He explained how it will be applied to demonstrate value in performance and insight, strategic decision-making, transparent communication and purposeful evaluation. Feedback from ISG members included:

- ISG Q. How can NESO create a simple and clear public narrative on value? There are lots of statements in the framework that could be used against NESO.

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- NESO A. Zoe advised that we need to be conscious of how we articulate our activities.
- ISG Q. What counterfactuals will be used for assessing performance?
- NESO A. Graham responded that we would use BP3 delivery as the counterfactual. An ISG member then suggested using BP1 as the counterfactual to measure against. Graham advised he would take the point away.
- ISG. As a public organisation, it is NESO's role to show benefit of cleaner energy, and value across local communities – this isn't coming through clearly. The public trust metric inclusion is difficult to gauge while delivery is ongoing, but NESO can build trust by showing costs coming down and delivering cleaner energy.
- NESO A. Graham then flagged the difficulty of finding a way of monetising benefits NESO deliver; this is ongoing work.
- ISG. Highlighted we could include proxy measures which would demonstrate effective running of NESO.
- NESO A. Graham confirmed we will have a business health matrix.
- ISG. Suggestion that we review Kate Rayworth's work to help develop a radar diagram.
- ISG. Advocate that NESO benchmark the framework against other system operators across the world.
- ISG. Crucial NESO share stories and narratives of the efficiencies the organisation is already delivering, as that is an important public message.
- NESO. Zoe agreed and reflected on the cost of RESP offices.
- ISG Q. The cost to value "envelope" comparison is effective but needs to come through clearer in the narrative document. If NESO deliver up to financial barrier, does this mean NESO maxed out budget and what would be the public perception of that?
- NESO. Graham took the point.

### 7. Flexibility Roadmap

Becky Hart &  
Nicole Watson

Nicole and Becky presented slides outlining the progress of the Flexibility Roadmap, covering battery integration, Carbon Capture, Usage and Storage (CCUS) and clean flexibility. They spoke around the importance of data use for helping drive flexibility. Becky also reflected on our actions to drive more demand-side flexibility, the links it has with clean flex, how flexibility is used to ascertain an approach for Reformed

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National Pricing (RNP), and the work with Market Facilitator being implemented at the end of 2025.

Becky then ran the group through the indicative timeline for routes to market before opening for comments.

- **Skip rate definitions** – The “skip rate” definition was discussed and its inclusion in glossary was suggested to show context of what it means for NESO versus what it means to the energy industry or externals.
- **Benefits and fairness of flexibility** – The benefits of flexibility for communities and how NESO can encourage turnout for the fairness of flexibility deployment and regional differences was discussed. ISG emphasised the importance of flex supporting all communities including vulnerable groups. Becky responded that we will hopefully enable this via Demand Flexibility Service (DFS) for demand turn up and demand turn down too. Heat networks were also being engaged to help utilise flex. Becky further highlighted a consumer delivery group has been established between NESO, Ofgem & DESNZ to make sure this can be addressed.
- **Coordination and collaboration on flexibility** – ISG advocated for coordination among DSOs, Distribution Network Operators (DNOs), Ofgem, DESNZ, and NESO to unlock full potential of flexibility. The significance of collaborating with departments from industries outside of energy, including transport and health, was emphasised for crosscutting flexibility across the economy. The importance of avoiding overlap between DSO and DNO services, was also flagged.
- Becky was asked to provide an update at a future ISG meeting on progress with the Market Facilitator.

### 8. **Cross-Cutting Business Plan Feedback (Rachel, NESO)**

Rachel Smith  
& Carole Hook

Rachel summarised the other key themes we have identified in the development of the plan including CP30, transparency, system access and prioritisation. She then provided an overview of the suite of documents that will be published with the plan including the Stakeholder Annex, Digital Annex, the Enabling Functions Annex, Innovation Funding and our Cost Tables.

She then opened to feedback from the group:

- Clearer linkage between annexes and efficiency narrative.
- The importance of delivery discipline was emphasised. NESO should be ambitious and clear on dependencies to demonstrate transparency.

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- Try to map outcomes which will be delivered over a time period – it is important that the plan delivery dates are NESO's best view. NESO must also show the impact of any delays in the plan narrative.
- The user experience and readability of the document was flagged as a concern, particularly with how different audiences will interpret it. Some ways to improve readability for different audiences were suggested, including a glossary. Members agreed to share suggestions directly with NESO via email.
- The flexibility delivery roadmap / diagram shared by Becky Hart in the previous item is an example of good practice for how we present our timelines for clarity. There was an emphasis on visualisation as key to show how the element of each PO pulls together.
- A request was made for a clearer and more concise version of the business plan. Zoe responded that each PO will have a one-pager in the short summary document.
- The CP30 timelines were highlighted as an obstacle for NESO to over-deliver, which could also overshadow the broader deliverables.
- In some instances, it appears NESO working in siloes. The hydrogen specialist teams were flagged – this seems to detract from whole-system team development.

### 9. **AOB & Next Steps**

Zoe

- Zoe spoke through the indicative timelines for publication of the plan and the next steps.
- Zoe also highlighted other activities relevant to the group, including the development of the Independent Challenge Panel (ICP) and a review of the ISG structure.
- She confirmed we would look at this internally, while Nina also would work with members separately to get their views. A January 2026 virtual meeting was proposed.

### 10. **Closed session (ISG) Only**

Nina

Section minutes redacted due to confidentiality of discussions.

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## Meeting Actions

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
34.0	Revisit resilience links and include DSO integration at next meeting	Aaron	Jan 26	Status	Click or tap to enter a date.
35.0	Aaron to share an overview of how stakeholders have fed into the plan with members	Aaron	Nov 25	Status	Click or tap to enter a date.
36.0	Nina to survey members on their wishes for future of group	Nina	Nov 25	Status	Click or tap to enter a date.
37.0	NESO to reflect on role of ISG going forward	Aaron, Natasha, Carole, Rachel, Zoe	Jan 26	Status	Click or tap to enter a date.
38.0	Paul Golby to be invited to next session	Aaron	Jan 26	Status	Click or tap to enter a date.
39.0	Revisit Flexibility discussions in context of Market Facilitator working	Aaron	Jan 26	Status	Click or tap to enter a date.