

Electricity Markets Advisory Council Meeting 04 June 2026

List of attendees

EMAC Members	Role
Ainhua Anda	Head of Data Centre Energy EMEA, Google
Alastair Martin	Chief Strategy Officer, Flexitricity
David Wellard	Head of Regulatory Affairs, Ørsted
Dena Barasi	Head of Policy, Regulation and Advocacy, E.ON UK
Eoin Kennedy	Head of Future Operations, EirGrid
Francis Dike	Head of Market Intelligence and Advisory, Elexon
Guy Newey	Chief Executive Officer, ESC
James Samworth	Partner, Schroders Greencoat
Laura Sandys	Chair, Electrify Industry
Monica Collings	EMAC Chair
Rebecca Sedler	Head of Market Design, Interconnectors, NGV
Robert Gross	Director, UK Energy Research Centre
Sarah Standen	UK Head of Commercial Asset Operation, RWE
Simon Virley	Vice Chair & Head of Energy & Natural Resources, KPMG UK
Sotiris Georgiopoulos	Director of Distribution System Operator, UKPN
NESO	Role
Anthony Belcher	Investment Strategy Manager
Carlos Vallejo	Technical Secretary
Lizzie Blaxland	Head of Future Market Design, EMAC Senior Sponsor
Magda Morenes	Technical Secretary
Martin Shannon	Gas Market Strategy Manager
Rebecca Beresford	Director of Markets
Apologies	Role
Harry Mayhew	Deputy Director of Wholesale Electricity Markets, DESNZ
Shai Hassid	Deputy Director for Electricity Charging and Market Design, Ofgem

Agenda

1. Welcome (Rebecca Beresford, NESO; Lizzie Blaxland, NESO; Monica Collings, Chair)
2. Playback of bilateral conversations and initial observations (Monica Collings, Chair)
3. NESO's interconnector trading restrictions (Magda Morenes, NESO)
4. GB system investment and cost of capital levers to optimise (Anthony Belcher, NESO)
5. Gas Markets Roadmap (Martin Shannon, NESO)
6. Future EMAC topics (Monica Collings, NESO)
7. Close and Next Steps (Rebecca Beresford, NESO; Lizzie Blaxland, NESO; Monica Collings, Chair)

Topics discussed:

Welcome

- Rebecca Beresford welcomed attendees, thanked them for joining, and introduced Monica Collings as the new EMAC Chair.

Playback of bilateral conversations and initial observations

- Monica Collings confirmed there is broad agreement that EMAC is valuable for council members and NESO, and that NESO appreciates members' continued commitment.
- Monica highlighted the importance of coordination across the advisory councils, particularly given the fast-moving environment and some members' involvement in more than one council.
- Members were invited to support agenda co-creation and propose future topics, with some potentially explored through pop-up groups, pre-meeting work and follow-up discussion.
- Members asked for greater clarity on EMAC's purpose, ambition and role, including whether it should lead, facilitate change or support wider alignment, and where discussions should sit across EMAC and other forums.
- Members emphasised the need to calibrate topics to members' expertise, maintain continuity of discussions, improve visibility of the forward plan, and close the feedback loop on how advice is used.
- Lizzie Blaxland noted that some items are brought to EMAC to test early views, and that NESO will continue to distinguish between items seeking advice and those shared for information.
- Members noted that consumer costs should remain central to EMAC's thinking.
- Members asked for further clarity on how the four councils operate and interact and they received confirmation that NESO is moving towards a more coordinated approach. NESO

will provide information on organisation structure to better facilitate this between members.

NESO's interconnector trading restrictions

- Lizzie Blaxland introduced the role of interconnectors in balancing the system and the importance of countertrading volumes to support effective operation.
- Magda Morenes presented the latest market notice and the limits to countertrading volumes that NESO has implemented going forward, noting that this reflects a negotiated interim solution.
- Members asked why the restrictions had been requested, what negotiating position NESO had, and whether consumer value and cost remained central to the solution.
- It was clarified that the limits are the outcome of lengthy negotiations with European TSOs and sit alongside wider RNP work and discussions on rejoining the IEM.
- Members highlighted the need to maintain constructive relationships, avoid unnecessary points of friction, and continue working towards a more coordinated and predictable approach.
- Members asked whether lessons could be drawn from other markets facing similar issues, including what an acceptable solution might look like in terms of predictability, timing and visibility for market participants.

GB system investment and cost of capital levers to optimise

- Anthony Belcher explained that capex and cost of capital will increasingly influence prices as the system moves towards a more fixed-cost environment, and invited members' views on where NESO could help reduce investor risk and in turn consumer costs.
- Members suggested focusing on investor perspectives, including the factors that influence investment decisions, how GB compares internationally, and the value of early engagement with investors as NESO develops long-term plans such as the SSEP.
- The discussion highlighted the need to distinguish between new and existing assets, equity and debt investors, and different asset lifecycle stages, recognising that risks vary in scale and impact.
- Members noted that the work should not focus solely on cost of capital or risk premia, but should consider total whole-system cost, consumer impacts, and how existing assets can be used more effectively.
- Members asked NESO to identify which levers it can influence, quantify and prioritise their potential impact, and focus on areas where it has greatest agency, including timing, delivery certainty, market design, connections reform and wider system optimisation.
- Members highlighted that unexpected interventions can be more disruptive than market uncertainty, and emphasised the importance of clear direction and predictability.

- The customer perspective was emphasised, including whether consumers can bear transferred risk, whether lower risk premia necessarily benefit them, and how risk transfer could affect costs and flexibility.
- Members suggested developing market principles to assess whether market designs are delivering intended outcomes, with consideration to bring this back at a future meeting.
- Key factors noted as influencing investor decisions included long-term regulatory certainty, revenue certainty for generation and demand and confidence in transmission, distribution and technology delivery.

Gas Markets Roadmap

- Martin Shannon presented NESO’s Gas Markets Roadmap (GMR), clarifying that it is a licence obligation and that it is due to be published in July alongside the Ten Year Statement.
- The GMR marks the start of a long-term and adaptive process, with a two-year refresh cycle and reporting to the regulator on implementation. Gas is expected to remain important for flexibility, peak security and marginal price setting, with decommissioning expected to remain decades away.
- The GMR focuses on three interconnected challenges: gas market transition, market resilience and emerging markets. Affordability, consumer impacts and cost recovery across a declining user base have been identified as central considerations.
- NESO is working with DESNZ, Ofgem, the Gas Advisory Council and National Gas on related workstreams, including disconnections, resilience, and how to avoid fragmented cross-vector arrangements.
- Members emphasised the continued role of gas in power generation and the need to maintain appropriate incentives for existing assets, including through the Capacity Market, where retaining assets may be the lowest-cost whole-system option.
- Members noted that the transition may be slower and less abrupt than previously assumed, with gas likely to remain in the system for longer given slower hydrogen business model development, geopolitical uncertainty and evolving FES and CP30 assumptions.
- Members encouraged a broader, pragmatic view of gas beyond power generation, recognising sunk costs, wider system dependencies and the importance of resilience considerations.
- Policy choices will be needed on issues such as the regulated asset base, depreciation, potential nationalisation, customer bills and structured decommissioning, with further evidence required to avoid ad hoc decisions.
- Members highlighted operational and customer realities, including declining transmission network utilisation, disconnection costs, potential tariff impacts, and the need to understand how industrial customers make energy choices rather than treating industry as a single group.

- Members discussed emerging markets including hydrogen, biomethane and CCUS, noting uncertainty around hydrogen deployment, the potential of sustainable biomethane, distribution network obligations and future gas quality monitoring requirements.
- Members suggested developing a clearer NESO position on gas, supported by scenario-based planning, updated CP30 assumptions, and better alignment with RESP, FES 2026 and future allocation rounds.
- Members also recommended considering a whole-energy roadmap to bring together gas, electricity and wider transition issues. They highlighted the need to understand the costs of transition, who should bear them, and the implications of gas network decommissioning.

Future EMAC topics

- The final agenda item focused on EMAC's forward plan, including whether the Council could help steer future priorities proactively rather than only respond to NESO-developed proposals.
- Monica Collings highlighted the value of the group's diverse perspectives and suggested maintaining dialogue between meetings to support an ongoing community of discussion.
- Members identified demand-side market design, clean flexibility markets, and the period between day-ahead and the Balancing Market as areas for future deep-dives.
- Members noted that NESO should strengthen its approach and improve visibility of developments on the distribution network. They also identified IEM reintegration, RNP, balancing market reform and connections reform as potential future topics.
- Members reflected on the scale of the electrification agenda and the significant pipeline of work ahead. They noted how this raises wider questions about the direction of government policy and the potential role of NESO as a strategic architect for the transition and raised the question of how EMAC could explore these issues.
- Members also highlighted the importance of data gathering, trend analysis and market forecasting. They noted that some trends may affect the system before they are fully understood, and suggested examining technology cost curves, such as falling EV and battery costs, to identify potential tipping points.
- Members were invited to bring forward topics for inclusion in future agendas.