Confidential

Meeting minutes

Independent Stakeholder Group – Meeting & Dinner

Date:	13/05/2026	**Location:**	The Viceroy Suite @; The Clermont Hotel Victoria, London 101 Buckingham Palace Rd, London SW1W 0SJ
Start:	15:00	**End:**	17:30 – Dinner followed

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Nina Skorupska (chair)	Attend	Rosie McGlynn	Regrets
Claire Dykta - NESO	Attend	Andy Manning	Regrets
Rachel Smith - NESO	Attend	Stuart Cotten	Attend
Carole Hook - NESO	Attend	Goran Strbac	Attend
Zoe Morrissey - NESO	Attend	Amanda Webb	Attend (Virtual)
Anu Gibson - NESO	Attend	Janine Michael	Attend
Aaron Ludford – NESO	Attend	Nick Sillito	Attend
Andy Wainwright	Attend	Janet Wood	Attend
Vicki Mustard - NESO	Attend	David Mitchell	Regrets
Marko Grizelj	Attend	Mark Fitch	Attend (Virtual)
Sam Mackilligin	Regrets	Trevor Hutchings	Attend
Gregory Edwards	Regrets	Ian Radley	Attend
Tony Green	Regrets	Rachel Fletcher	Attend (Virtual)

Agenda

#	Topics to be discussed	
1.	Welcome and introduction	Nina S
2.	Conflicts of interest, minutes review from previous meeting	Nina S

3.	Q&A with Zoe	Zoe M
4.	NESO1 Final Determinations reflections	Rachel S
5.	What's next: ISG and ICP development?	Zoe M & Claire D
6.	BP3 End-Scheme report & event	Carole H
7.	Closed session	Nina S

Discussion and details

#	Topics discussed
1.	**Welcome and introductions** Nina opened the session, welcomed members and outlined the agenda. All attendees introduced their selves and the meeting commenced
2.	**Conflict of interest, minutes review & action log** No conflicts of interest were declared, and no objections to the minutes were declared. Aaron summarised the action log, outlined the completed actions from the previous session, and highlighted those that are deferred to the next group meeting.
3.	**Q&A with Zoe** Zoe introduced the session and spoke through a list of Priorities established by NESO for the upcoming year, in a non-specific order. Members were invited to provide their feedback. Key themes of the discussion are set out below: **Need for clear outcomes and strategic focus** • Members noted that the list of priorities felt like a collection of "packages of work" rather than a clear articulation of intended outcomes NESO intend to drive. • There was a strong view that NESO should more clearly define what change they are trying to drive, and what success looks like from priority delivery. • Zoe acknowledged this point and confirmed that a more outcomes-focused approach is being reflected in the Business Plan and work being done with Ofgem to focus on Success Measures. **Prioritisation and clarity of focus** • Members highlighted that there was no clear prioritisation across the list, and that is difficult to identify which issues matter most • Some suggested NESO should focus to delivery on the areas likely to have the biggest system or visible customer impact

- Concern was raised that the scope appears too broad, making it harder to drive meaningful progress.

Roles, Responsibilities and policy direction

- A recurring theme was lack of clarity across roles and responsibilities, between NESO, Ofgem, and DESNZ; are the priorities set out were things we decided were important, or were important to partners?
- A member suggested the current confusion on roles and responsibilities between NESO, Ofgem and DESNZ was "almost unworkable".
- Members highlighted the volume of consultations, all happening simultaneously - it is unclear how they connect or who is leading each area. Needs a clearer focus. Members from across the room agreed unanimously with this point.
- Members questioned whether NESO is trying to "do everything" and whether delivery partners could play a greater role in supporting with these activities.
- The room emphasised a strong desire for clear accountability.
- Members emphasied the need for a better definition of who is responsible for what across the sector.
- Stakeholders emphasised the need for clearer boundaries between NESO and other operators, including DNOs and DSOs, so there is a shared understanding of roles, responsibilities and governance across the sector.
- A member asked if updates to the Strategic Policy Statement (SPS) were being prioritised, and the impact SPS can have. Zoe responded that there is a working group set up with Ofgem, NESO and DESNZ to clarify roles and responsibilities and how to make it clearer. Claire confirmed the SPS will help with policy direction and prioritised.
- Members flagged concern that's NESO is exposed to criticism for delivery issues where partners are key enablers.
- The Chair flagged Appendix E of the Ofgem Review, which denotes The Energy System Value Chain, and where Ofgem's role is in coordination the energy system – ensuring as a critical friend the group can demonstrate who is responsible for delivery in those areas.

Affordability and consumer impact

- Members were surprised that bill reduction / affordability was not more explicitly prioritised in the list.
- Zoe confirmed these are key areas and emphasised that affordability is a core part of the energy trilemma for us. She reflected that greater visibility of consumer impact is needed.

System planning and long-term thinking

- Members called for a clearer strong emphasis on the importance of long-term system planning.
- Others called for clear focus on future market design and steps being taken now, for example, the e.g. role of battery storage, Flexibility, energy mix.
- Members called for clarity on how current priorities support the future energy system.

Issues facing NESO

- Members pointed to several structural challenges NESO has to deal with including:
  - Network constraints and lack of capacity
  - Too much generation vs insufficient network capability
  - Issues with regional vs national pricing model decision and how NESO solves this problem.

Missing or underrepresented priorities

Members identified areas they felt were missing or were under / over-emphasised:

- A member queried why Winter Outlook was seen as a priority as by the time it lands, winter was upon us so decisions would be made in advance. Wha value does it drive to industry participants?
- Transitional RESPs and delivery of SSEP – Zoe confirmed these activities are very much priorities and are confirmed publications which will be delivered. Claire highlighted some of the points raised will come through in these discussions.
- The role of Flexibility and how NESO can do more to unlock Flex
- Role of NESO in political debate on energy
- Gas markets and gas storage strategy
- Heat decarbonisation and heat networks
- Digitalisation and cross-sector integration
- Community energy / local generation.

Connections

- Members raised concerns about impact of further delays in connections (e.g. Gate 2)
- Members highlighted fragmented delivery models between NESO and delivery parties, for example split roles across Transmission Owners.

Risk, Security of Supply, and system resilience

- Concerns were raised around, security of supply risks and market volatility and cost implications this adds.
- Members noted, lack of clarity can increase system risks and NESO needs to help provide that clarity.
- Members highlighted there is no single agreed position on trade-offs of cost vs resilience.

Attendee priorities

Members were asked to highlight what they felt should be the priority for NESO in the next 12 months. Responses included:

- Defining and crystallising the roles and responsibilities of NESO and others in the sector
- Constraint costs and bills
- Gas markets regulatory framework
- Progress with Connections
- Consistency across the organisation
- Digital sector working
- Community generation
- Heat decarbonization & heat networks
- Use of voice as an expert independent voice in energy debate
- Clean flexibility
- Planning for offshore wind or no wind scenarios
- Digital framework for NESO.

4. NESO1 Final Determinations reflections

- Rachel highlighted the key outcomes from Final Determinations, noting there was very little change between draft and final positions. Focus is now on translating these into clear strategic aims and continuing engagement with Ofgem to develop success measures.
- Zoe emphasised that Ofgem is moving toward a more outcomes-based regulatory approach, which will be a major focus of upcoming engagement.

- Members questioned whether Ofgem's approach feels overly stringent, particularly regarding NESO spend and the emphasis on success measures. Rachel noted that Ofgem is applying a range of performance metrics to support its assessment.
- Concerns were raised that the framework can feel overly granular, particularly in areas such as balancing costs, with a risk of becoming too focused on detail rather than strategic outcomes. Zoe acknowledged this, highlighting the need for a more holistic, partnership-based approach that still delivers outcomes.
- Members reflected that while some functions (e.g. system operations) may require strong regulatory oversight, it is less clear how other NESO activities should be regulated, given their differing nature.
- There was a perceived disconnect between top-level strategic discussions, which emphasise partnership and outcomes, and lower-level detail, which can feel more transactional.
- Reflections from recent engagement with Ofgem reinforced the importance of focusing on outcomes linked to performance objectives.
- A member noted the complexity of NESO acting both as a market operator and a participant, suggesting that applying similar regulatory expectations to both roles may limit NESO's effectiveness and flexibility. Rachel acknowledged that stakeholder views often reflect similar concerns.
- It was also noted that wider industry sentiment can be negative regarding regulatory engagement, highlighting the importance of clear communication and stakeholder confidence.

5. What's next: ISG and ICP development?

- Zoe introduced a proposed future vision for the ISG, positioning it within the Strategy function, before handing over to Claire.
- Claire noted that the group could play a stronger role in addressing gaps in outcomes and providing independent insight, helping to shape and challenge NESO's thinking.
- Nina reflected on her role as Chair, highlighting the importance of bringing an independent and collective voice from the group. She noted that senior stakeholders value the robust challenge and perspective the ISG provides, and emphasised the importance of maintaining a space where issues can be raised openly. She also referenced the group's engagement with the Board.
- Members emphasised the importance of clear governance and purpose, noting that:
    - Strategic direction should come from the Board
    - The ISG's role and value-add need to be clearly defined

- Without this clarity, the group's voice risks being diluted
- Claire suggested that the ISG could operate in a model similar to the Climate Change Committee, providing independent input to support Board decision-making.
- One member raised concern about how ISG outputs are used, questioning whether the group's voice could be selectively used ("as evidence" or "for support"), which may risk misrepresenting its intent.
- Members discussed how the group should operate going forward, including:
  - Whether to focus on specific topics or broader thematic discussions
  - The importance of agreeing timing and priorities collectively
- There was a strong focus on improving how insights are captured and communicated, including:
  - Establishing clearer processes for recording and sharing outputs
  - Considering more structured formats (e.g. workshops or formal outputs)
  - Recognising a spectrum between informal input and formal ISG positions

  Members highlighted the need for clear governance arrangements, including:
  - How and where ISG outputs are published or used
  - Ensuring outputs carry appropriate weight and influence
- It was noted that the terms of reference will be critical in defining the group's role, authority, and impact going forward.
- Nina reflected on the proposed changes and noted alignment with discussions on the Independent Challenge Panel, suggesting further consideration of how the two groups interact.

6. BP3 End-Scheme report & event

- Carole spoke around the BP3 End Scheme report, available as of Friday 15 May. She invited members to attend the virtual stakeholder event, to review delivery against Business Plan 3 (BP3).
- Members signalled a general lack of interest, and recognition of the burden / value this event provides to stakeholders. They questioned the benefit of the event, and if there was a requirement to proceed – NESO colleagues confirmed licence obligation.

7. Closed session

- Notes redacted for confidentiality purposes.

8. AOB and next steps

- Nina outlined to members that she would be meeting Claire to discuss future terms of reference and scope of the group.
- Nina to arrange 121s with members to review membership representation of the group going forward.

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 future meeting,	Aaron	Jan 26	To be revisited at next ISG	Sep 26
39.0	Revisit Flexibility discussions in context of Market Facilitator working	Aaron	Jan 26	Follow up at next ISG meeting	Sep 26