



Department for
Energy Security
& Net Zero



Making a positive difference
for energy consumers

NESO Advice Process Document



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Any enquiries regarding this publication should be sent to us at: nesoproject@energysecurity.gov.uk or FSO@ofgem.gov.uk

NESO Advice Process Document

Introduction and purpose

1. This document sets out, at a high level, the expected process for the coordination of requests for advice, analysis or information from Ministers of the Crown and the Gas and Electricity Markets Authority (GEMA) to the National Energy System Operator (NESO).¹ This document is issued by the Department of Energy Security and Net Zero ('the Department') to NESO, and the licensee² must have regard to the provisions set out here when providing ISOP Advice.³
2. NESO has the statutory duty, set out in section 171 of the Energy Act 2023 (see Annex 1), to comply with a request for the provision of advice, analysis or information by Ministers of the Crown and GEMA (collectively known as 'requests' in this document).
3. The Office of Gas and Electricity Markets (Ofgem) will submit requests on behalf of GEMA and it is expected that the sponsorship department for NESO ('the Department'), will submit requests on behalf of Ministers of the Crown.
4. This document also seeks to clarify the roles and expectations on NESO, in managing these requests.
5. This document is intended for use by government, Ofgem and NESO and will be issued by Secretary of State of the Department and published by Ofgem on their website.

Roles and Responsibilities

6. At a high level, government is responsible for setting energy policy direction across Great Britain, Ofgem is the independent economic regulator for NESO and makes decisions on business and investment plans, and NESO is an independent whole system planner and operator of the electricity system and expert advisor to government and Ofgem.
7. In relation to requests for advice, the Department (on behalf of Ministers of the Crown) and Ofgem (on behalf of GEMA) have the power to issue requests and set out the form and manner that the response to the request should cover. Both are expected to inform NESO as soon as reasonably possible about any potential future requests.

¹ NESO is the body designated under section 162 of the Energy Act 2023 as the Independent System Operator and Planner (ISOP).

² Condition D1 (Provision of ISOP Advice) of NESO's Electricity System Operator (ESO) Licence and Gas System Planner Licence.

³ ISOP Advice means advice, analysis or information provided by the ISOP in accordance with section 171 of the Energy Act 2023.

8. NESO will be responsible for responding to these requests and ensuring that the delivery of the responses is in the form and manner that was requested. NESO should have regard to any potential future requests raised by the Department or Ofgem and raise if fulfilment of any request may impact on other requests already in progress, or if NESO does not consider it 'reasonably practicable' to fulfil a request.
9. Without prejudice to the Department's and Ofgem's respective discretion generally to each make requests under section 171 of the Energy Act 2023, all parties are expected to work together to ensure requests are suitable (i.e. that the request is in line with the Energy Act 2023 and therefore is in connection with NESO's functions or objectives, and is considered reasonable) and to give appropriate priority to requests, where required. NESO should engage in any discussions with DESNZ/Ofgem policy teams where needed to help refine the request, keep track of the progress of future or current requests, and escalate issues.
10. NESO should look to periodically publish a summary of the nature of advice that it is providing to Government/Ofgem, unless requested otherwise e.g. for national security reasons.

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11. The below sets out the expected process for NESO to follow, as well as the responsibilities of each organisation in managing requests.

Phase 1: Management of requests, early discussions and scoping

12. Once a potential request has been identified and deemed suitable for NESO, it is expected that the Department/Ofgem inform NESO's request management team as soon as reasonably possible on the nature of a potential request and any other information available at that time.
13. Where possible, all parties should enable and allow for informal discussions to take place between the 'commissioning teams' (i.e. other policy teams within government or Ofgem that own the policy of the advisory request) and the relevant expert teams within NESO. NESO should work collaboratively with DESNZ and/or Ofgem during this phase, including to further refine and focus the request where needed. These early discussions could also include initial scoping on the parameters, assumptions and timings of the request. NESO's request management team should keep track of any relevant discussions between teams across organisations, including any agreed outputs, and provide guidance where needed.
14. It is expected that parties work together to determine the suitability of the request for NESO, and relative priority against other requests should be considered during this time if needed.

15. NESO should undertake its own independent assessment to determine the suitability of the request for NESO. It should consider its own budget and staff resources to ensure it can accommodate the quantity and breadth of requests expected. NESO should notify the requester at any point if it considers that compliance with the request is not 'reasonably practicable', or that the request is not in connection with any of its functions, or the objectives and matters listed in section 163(1) and 164(1) of the Energy Act 2023 or there are other concerns with their ability to respond to a potential request. This will enable DESNZ or Ofgem to consider mitigations or amendments to the request prior to formally submitting.

Phase 2: Formal Request Management

16. When ready, and views from NESO have been taken into account, it is expected that a draft version of the request is sent to NESO for review. All requests should then be formally issued by the policy sponsorship team in the Department and/or the regulation team in Ofgem.
17. It is expected that the request is clearly marked as an official request for advice, analysis or information, referencing the powers being used. As per the Energy Act 2023, the request should include the form and manner by which NESO should respond to that request. This may include any parameters known at the time, timings and any restrictions and/or considerations regarding publication.
18. If a request is issued without prior discussions or scoping, NESO should set out the impact that fulfilment of this request may have on other requests already in progress or if they do not consider it 'reasonably practicable' to fulfil the request and the reasons for this. This can be discussed at the appropriate governance forum, or directly between NESO's request management team and the commissioning team(s) if required by time, and escalated if necessary.
19. Further collaborative scoping may take place after the formal request is received between the 'commissioning team' and relevant teams in NESO. Any agreed outputs of these conversations should be recorded by NESO. This could include any further requirements around detailed modelling and data assumptions.

Phase 3: Mobilisation and development

20. During this stage NESO should mobilise the necessary resources to deliver its response to the request.
21. NESO may seek inputs (data, information) from internal groups or third parties where appropriate or needed to contribute to the request. It may be appropriate for NESO to use the information request powers set out in the Energy Act 2023.
22. NESO should create the response materials based on the requirements set out in the request and provide any other documentation agreed between both parties.

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23. Throughout the development phase, NESO should keep DESNZ and Ofgem updated on the progress of the response and allow subject matter experts at the organisations to discuss the assumptions, input and content of the response where needed.
24. There may be changes to the scope of the request from the requesting party (i.e. DESNZ or Ofgem) or NESO if required. These should be raised at established governance forums and parties should work with each other on the best approach to address any proposed changes. Agreed changes should be recorded in the appropriate documentation and NESO should point out any impacts or risks arising as a result of such changes.

Phase 4: Response and close

25. NESO should share a draft response with the requesting party, unless agreed otherwise due to the timescales, before a final version is submitted. This should allow time for the requesting party to review and comment on the draft and ensure that it aligns with the request. As an independent organisation, NESO maintains the discretion to decide the content of its response, within the parameters of the request.
26. NESO request management team should share a final response with the requesting party, incorporating any changes from the previous step.
27. Discussion of the publication of any response to a request should take place during established governance forums and should be in line with the publication considerations set out in the request.
28. NESO may seek feedback to inform the development of future requests and assess success of deliverables.

Changes to NESO Advice Process Document

29. The Department and Ofgem will coordinate to review this document by 6 months from the initial publication, and then annually.
30. In the interim, each of NESO, DESNZ and Ofgem will be able to request and propose changes to the ISOP Advice Process Document through the established governance forums. Any changes must be agreed between all three parties and recorded in a change log.

Annex 1: Energy Act 2023, Part 5, Section 171

NESO's statutory duty to respond to requests for advice from government ministers or GEMA resides within the [Energy Act 2023](#)

171 - Provision of advice, analysis or information

(1) The ISOP must, so far as reasonably practicable, comply with a request by a person within subsection (2) for the provision of advice, analysis or information to the person in connection with—

- (a) any of the ISOP's functions,
- (b) any of the objectives listed in section 163(1), or
- (c) any of the matters listed in section 164(1).

(2) The persons within this subsection are—

(a) a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975: see section 8(1) of that Act);

(b) the GEMA.

(3) The ISOP must, so far as reasonably practicable, comply with a request made under subsection (1) within such period, and in such form and manner, as the person making the request may reasonably require.

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