

**To:**  
**National Energy System Operator Limited**

**Direction under Part E of Condition B1 (Independence Requirements and compliance obligations) of the Electricity System Operator Licence and B1 (Independence Requirements and compliance obligations) of the Gas System Planner Licence that the Independence Statement requires further development**

1. National Energy System Operator Limited ("the Licensee") is the holder of an Electricity System Operator Licence ("ESO Licence") treated as granted under Section 6(1)(da) of the Electricity Act 1989 and a Gas System Planner Licence ("GSP Licence") granted under Section 7AA of the Gas Act 1986.
2. The Gas and Electricity Markets Authority ("the Authority")<sup>1</sup> issues this direction, under Conditions B1.28(b) of the ESO Licence (Independence Requirements and compliance obligations) and B1.28(b) of the GSP Licence (Independence Requirements and compliance obligations), to direct that the Independence Statement requires further development and direct the date by which the Licensee is required to submit any further revisions to the Authority for approval.
3. On 29 October 2024 the Licensee submitted the Independence Statement to the Authority in accordance with Conditions B1.23 of the ESO Licence (Independence Requirements and compliance obligations) and B1.23 of the GSP Licence (Independence Requirements and compliance obligations).
4. The Authority has reviewed the Independence Statement and determined that the Independence Statement requires further development. We are therefore issuing this direction to ensure that this further development takes place.
5. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.
6. Now the Authority, pursuant to Conditions B1.28(b) of the ESO Licence (Independence Requirements and compliance obligations) and B1.28(b) of the GSP Licence (Independence Requirements and compliance obligations) hereby directs that the Independence Statement requires further development. The Licensee must submit further revisions to the Independence Statement to the Authority for approval by 9 January 2025.

**Adam Gilham**  
**Duly authorised on behalf of the Gas and Electricity Markets Authority**  
**26 November 2024**

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<sup>1</sup> The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Gas and Electricity Markets Authority (GEMA) in its day to day work.