

To:

National Energy System Operator Limited ("the Licensee")

Direction under Part F of Condition C15 (Future Energy Pathways) of the Electricity System Operator Licence and Part F of Condition C10 (Future Energy Pathways) of the Gas System Planner Licence that the Licensee is relieved of its obligation to provide an illustrative regional pathway as a guide to stakeholders in the Future Energy Pathways publication.

1. 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")¹ issues this direction, under Conditions C15.22 (Future Energy Pathways) of the ESO Licence and C10.22 (Future Energy Pathways) of the GSP Licence, to direct that the Licensee is relieved of its obligation to provide an illustrative regional pathway as a guide to stakeholders in the Future Energy Pathways publication.
3. On 5 June 2025, the Licensee requested a direction ("derogation") by the Authority to relieve the Licensee of its obligation to provide an illustrative regional pathway in the Future Energy Pathways publication in accordance with Condition C15.2 of the ESO Licence) and C10.2 of the GSP Licence, relating specifically to paragraph 2.40 of the Future Energy Pathways Guidance document.²
4. The Authority has considered the request and determined that the rationale for not including the illustrative regional pathway is reasonable in the circumstances. We acknowledge the concern of inconsistencies between regional pathway outputs between the Future Energy Scenarios 2025 (FES25) publication and the transitional Regional Energy Strategic Plan (tRESP) publication, particularly given the potentially short timeframe between publication of the two.
5. This direction and accompanying letter 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 C15.22 of the ESO Licence and C10.22 of the GSP Licence, hereby directs that the Licensee is relieved of its obligation to provide an illustrative regional pathway in the FES25 publication.

Paul Eastwood

Duly authorised on behalf of the Gas and Electricity Markets Authority

18 December 2024

¹ 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.

² https://www.ofgem.gov.uk/sites/default/files/2025-02/Future_Energy_Pathways_Guidance.pdf