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Date: 05 December 2025

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Dear Paul,

Decision and Directions to National Energy System Operator (NESO) to:

- 1. Further strengthen network planning processes and publish the next Network Options Assessment (NOA) report and the Electricity Ten Year Statement (ETYS) by 30 June 2026, instead of 30 January 2026**
- 2. To suspend the requirement for the Interconnector capacity analysis and report from the next NOA report**
- 3. To submit the Centralised Strategic Network Plan (CSNP) Methodology by 31 January 2026, instead of 30 September 2025 and to publish it before 15 April 2026 rather than before 31 December 2025.**

You sent us letters on 26 September and 3 December. The first was to request derogations for the ESO licence conditions C17.10 and C17.13 and the Gas System Planner (GSP) licence conditions C12.10 and C12.13. The second was to request derogations under NESO's Electricity System Operator (ESO) licence conditions C12.2 for ETYS and C13.9, C13.13 and C13.18 for the NOA report.

Thank you for sending these and we appreciate your ongoing engagement with us to ensure the successful development and implementation of NESO's strategic network planning processes.

NOA ("tCSNP2 refresh") and ETYS

Each year, NESO is required to produce the Network Options Assessment (NOA) report which recommends reinforcements and additional interconnector capacity for Great Britain's electricity system that could meet the needs identified in the annually updated Electricity Ten Year Statement (ETYS) and facilitate the development of an efficient, co-ordinated and

economical system of electricity transmission. The ETYS is informed by the NESO's Future Energy Scenario (FES), which sets out energy generation and demand pathways towards meeting net zero.

NESO and Ofgem have been progressing the development of the Centralised Strategic Network Plan (CSNP), which will replace the NOA process and will take a coordinated, longer-term and whole-system approach to planning the electricity and natural gas transmission network, as well as hydrogen transport and storage networks across Great Britain (GB) to help meet the government's net zero ambition.

We have worked with NESO and TOs over the last year to consider how the uncertainties in the strategic energy planning landscape, which currently present a significant challenge to the input assumptions for the next NOA (also referred to as tCSNP2 Refresh), can be managed.¹ We are grateful for your collaboration with us and TOs to consider how the tCSNP2 Refresh can be made robust against these uncertainties.

Owing to the significant uncertainties that you have outlined, especially due to connections reform² and the changes to offshore designs, we agree with your proposals and justifications to strengthen the process which will require additional time to produce the network planning outputs.³ This will ensure that the reinforcements in the plan are developed using more accurate input data and models and will test the need for these reinforcements against the reformed connections queue. We are aware that Transmission Owners (TOs) have also asked for an extension to allow for this alignment. Incorporating these changes in the planning process and testing the plan against uncertainties will enable us to make well informed funding decisions for the network build needed for the 2030s.

Our tCSNP2 funding decision⁴ and subsequent Guidance⁵ ensures adequate funding for tCSNP2 projects until the tCSNP2 Refresh is published, so that the proposed timeline doesn't adversely impact TOs' ability to progress any works that are defined in our decision. Our RIIO3 price control Final Determinations⁶ set out our proposed approach to funding future electricity transmission network projects during the RIIO-3 price control period. The main RIIO-ET3 mechanisms used to fund network build are the Load Re-opener, the CSNP Re-opener, and PCF Re-opener. The PCF Re-opener will provide pre-construction funding for eligible projects, the CSNP Re-opener will provide construction phase funding for CSNP projects, and the load re-opener will be available if TOs wish to submit projects not captured by the CSNP.

We also agree that the ETYS should reflect the most accurate network assumptions and that this opportunity should be taken to alleviate the otherwise high levels of burdens on TO resources and allow prioritisation of modelling efforts for the tCSNP2 Refresh and Connection Reform. As relevant stakeholders for downstream processes, including charging

¹ The NOA publications are also referred to as transitional CSNP (tCSNP) as these are a bridge to the full CSNP that is covered by licence condition C17. The next iteration of the NOA is called the tCSNP2 Refresh as it's a refresh of the second transitional CSNP which was produced in March 2024.

² Delivery and implementation of the TMO4+ connections reform as per [Decision on Connections Reform Package \(TM04+\) | Ofgem](#)

³ [Offshore Coordination | National Energy System Operator](#)

⁴ [Funding and approval framework for onshore transitional Centralised Strategic Network Plan 2 projects: decision | Ofgem](#)

⁵ <https://www.ofgem.gov.uk/sites/default/files/2025-06/tCSNP2-Guidance-and-Submissions-Requirements-Document.pdf>

⁶ Our RIIO-3 Final Determinations were published on 4th December 2025: [RIIO-3 Final Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)

and balancing, can continue to use existing data without being significantly impacted, we consider a June 2026 publication to be the most appropriate and efficient approach.

We have therefore decided to grant the additional time required by directing changes to the requirements set out in the relevant licence conditions through this decision. We've decided that the next Network Options Assessment (NOA) report and the Electricity Ten Year Statement (ETYS) should be published by 30 June 2026 instead of 31 January 2026.

Interconnector capacity analysis

The NOA for Interconnectors was designed to help developers identify opportunities and prepare bids for future interconnectors. Having worked with you and NESO's offshore planning teams, we recognise that NESO's upcoming Strategic Spatial Energy Plan (SSEP)⁷ and CSNP will identify potential future locations and capacity for interconnection opportunities more strategically and result in better outcomes compared to the current approach. Our intention to phase out the interconnector capacity analysis report, once the SSEP and CSNP are underway, aligns with your request.

We agree that as the SSEP analysis is already underway, progressing simultaneously with the interconnector capacity analysis report, and publishing it as part of the tCSNP2 Refresh will lead to duplication of efforts, and produce potentially conflicting results due to the different analytical approaches, creating confusion for the users of the report.

We are satisfied there are justifications to suspend the requirement to undertake Interconnector capacity analysis and associated reports as per C.13 - Part A from the 2026 report. We are also satisfied that there are justifications to suspend the requirement to submit to the authority information as per LC C13(18) from the 2026 report.

CSNP Methodology

NESO was required to publish the CSNP methodology by 31 September 2025. We recognise that this has taken longer due to the complexities and the breadth of the CSNP's scope and understand the need for further time to develop the detailed aspects that you've noted. Since our policy decision in 2023 setting out the details of the CSNP's scope and our high-level requirements on the approach it should take, NESO has proactively included the additional scope of planning future Hydrogen networks and offshore connections within the CSNP, to ensure the whole-system approach of the CSNP.⁸

NESO has since developed the CSNP Methodology by working closely with network owners, government and Ofgem, and by consulting wider stakeholders. As this is a new process, we've chosen to wait for NESO to develop its approach based on our policy decision before publishing a CSNP Guidance document. This sequencing was necessary to allow NESO to explore potential approaches openly, without being overly limited by pre-set requirements. We published our Guidance on 17 November 2025 which largely aligns our 2023 decision and with NESO's emerging approach, whilst incorporating the additional scope on Hydrogen and offshore connection designs and further details on several aspects of the plan.

⁷ [Strategic Spatial Energy Planning \(SSEP\) | National Energy System Operator](#)

⁸ [Decision on the framework for the Future System Operator's Centralised Strategic Network Plan | Ofgem](#)

We recognise that the CSNP cannot start until the tCSNP2 Refresh process has concluded, and feel it's pragmatic to allow the additional time to ensure a comprehensive and robust methodology for the first strategic plan in Great Britain that covers electricity and gas transmission and Hydrogen networks. We have decided to direct that the final CSNP Methodology must be submitted to Ofgem by 31 January 2026, instead of by 30 September 2026 and that the CSNP methodology must be published by 15 April 2026, instead of by 31 December 2026.

Strategic Spatial Energy Plan (SSEP) and CSNP

The SSEP will be the primary input into the CSNP, setting out the energy system pathway for which the network will be planned. We note that the timeline to develop the SSEP will be revised, due to refreshed energy generation data from DESNZ requiring a re-run the SSEP modelling.⁹ Once the timeline is decided, we will provide an update on the impact on the timeline for the CSNP. The strengthening of the tCSNP2 Refresh process as per the above decision ensures that we have a robust network plan to deliver the network required for the 2030's without delay.

The Authority's decision

We agree with all your requests due to the reasons we've set out above.

Under LC C13(9) of the ESO Licence we direct NESO to publish an updated NOA report by **30 June 2026**, instead of by 31 January 2026 as previously directed by Ofgem. Annex 1 sets out the direction to give effect to this decision.

Under LC C13 (13) of the ESO Licence we relieve NESO from the requirements related to interconnectors for the next NOA report. Under LC C13 (18) for the next NOA report we relieve NESO from the requirement to provide any information which would constitute the 'NOA for Interconnectors' report. Annexes 2 and 3 set out the directions to give effect to these decisions.

Under LC C12.2 of the ESO Licence we direct NESO to publish the ETYS by **30 June 2026**, instead of by 31 January 2026 as required in the LC. Annex 4 sets out the direction to give effect to this decision.

Under LC C17.10 of the ESO Licence Ofgem have decided to direct that the final CSNP Methodology must be published before **15 April 2026**, rather than before 31 December 2025. Annex 5 sets out the direction to give effect to this decision.

Under LC C17.13 of the ESO Licence Ofgem have decided to direct that the final CSNP Methodology must be submitted to Ofgem before **31 January 2026**, rather than before 30 September 2025. Annex 6 sets out the direction to give effect to this decision.

Under LC C12.10 of the GSP Licence Ofgem have decided to direct that the final CSNP Methodology must be published before **15 April 2026**, rather than before 31 December 2025. Annex 7 sets out the direction to give effect to this decision.

⁹ <https://www.neso.energy/document/372416/download>

Under LC C12.13 of the GSP Licence Ofgem have decided to direct that the final CSNP Methodology must be submitted to Ofgem before **31 January 2026**, rather than before 30 September 2025. Annex 8 sets out the direction to give effect to this decision.

If you have any questions in relation to this letter, please contact Keren Maschler (Keren.Maschler@ofgem.gov.uk) or me.

Yours sincerely,

Konark Anand
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority

Annex 1

DIRECTION PURSUANT TO CONDITION C13(9) OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE NETWORK OPTIONS ASSESSMENT PROCESS AND REPORTING REQUIREMENTS.

Whereas:

1. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator Licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").

2. Licence Condition ("LC") C13(9) states:

C13.9. The licensee must at least once in each Financial Year commencing 1 April 2025 and every subsequent Financial Year:

- (a) review the NOA report prepared and published in the previous Financial Year and consider any improvements to better facilitate the effective development of the National Electricity Transmission System; and*
- (b) publish an updated NOA report by 31 March or such other date as directed by the Authority in a form approved by the Authority. This must be based on and include the latest NOA methodology approved by the Authority in accordance with paragraph C13.6.*

3. LC C13(22) allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

4. In line with LC C13(22), following a request from the Licensee, the Authority has decided to direct Licensee to publish an updated NOA report by 30 June 2026 instead of 31 January 2026.

Therefore:

In accordance with LC C13(22), the Authority hereby directs the Licensee to publish an updated NOA report by 30 June 2026 instead of 31 January 2026.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 2

DIRECTION PURSUANT TO CONDITION C13(13) OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE NETWORK OPTIONS ASSESSMENT PROCESS AND REPORTING REQUIREMENTS.

Whereas:

1. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").

2. Licence Condition ("LC") C13(13) states:

C13.13. Each NOA report must be produced using the latest available data and in accordance with the methodology established in accordance with paragraph C13.7, and must, in respect of the Financial Year in which the report is published and each of the 9 succeeding Financial Years:

*(a) set out the licensee's best view of the options for Major National Electricity Transmission System Reinforcements **and additional Interconnector capacity** that could meet the needs identified in the ETYS and facilitate the effective development of the National Electricity Transmission System.*

3. LC C13(22) allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

4. In line with LC C13(22), following a request from the Licensee, the Authority has decided to relieve the Licensee from its obligation to set out its best view of additional interconnector capacity in the NOA report for the next iteration of the NOA report that is expected to be published in 2026.

Therefore: In accordance with LC C13 (22), the Authority hereby provides a derogation relieving the Licensee from its obligation to set out its best views of additional Interconnector capacity that could meet the needs identified in the ETYS and facilitate the effective development of the National Electricity Transmission System in the upcoming NOA report.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 3

DIRECTION PURSUANT TO CONDITION C13(18) OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE NETWORK OPTIONS ASSESSMENT PROCESS AND REPORTING REQUIREMENTS.

Whereas:

1. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").

2. Licence Condition ("LC") C13(18) states:

C13.18. In relation to Electricity Interconnectors, based on the NOA methodology set out in Part A, the licensee must submit to the Authority, within the timescales directed by the Authority, information on:

- (a) the efficiency of the connection choices made by Interconnector Developers, based on the licensee's involvement in assessing different options, including the costs of any necessary reinforcements required to connect Interconnectors to the National Electricity Transmission System;*
 - (b) the licensee's assessment of the impact of new Interconnectors on system operation. This should include costs and benefits relating to provision of security of supply including Ancillary Services, constraint management and other operational factors, which may accrue to the licensee and to consumers; and*
 - (c) the licensee's assessment of changes in wholesale prices as a result of Interconnector flows and the impact of these changes on GB consumers, generators and Interconnectors*
3. LC C13(22) allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee
 4. In line with LC C13(22), following a request from the Licensee, the Authority has decided to relieve the Licensee from submitting to the Authority information which is set out in LC 13(18) for the next iteration of the NOA report that is expected to be published in 2026.

Therefore: In accordance with LC C13 (22), the Authority hereby provides a derogation relieving the Licensee from its obligation to provide information in relation to Electricity Interconnectors in the upcoming NOA report.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 4

DIRECTION PURSUANT TO CONDITION C12(2) OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE PRODUCTION OF INFORMATION ABOUT THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM.

Whereas:

1. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").

2. Licence Condition ("LC") C12(2) states:

C12.2 In each Financial Year commencing 1 April 2024 and every subsequent Financial Year, the licensee must by 31 January use reasonable endeavours to prepare and publish the ETYS, which is a statement of network development information, in a form approved by the Authority in accordance with paragraph C12.10

3. Licence Condition ("LC") C12(14) states:

C12(14) The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

4. In line with LC C12(14), following a request from the Licensee, the Authority has decided to direct the Licensee to use reasonable endeavours to prepare and publish an updated ETYS by 30 June 2026 instead of 31 January 2026.

Therefore:

In accordance with LC C12(14), the Authority hereby directs the Licensee to use reasonable endeavours to prepare and publish an updated ETYS by 30 June 2026 instead of 31 January 2026.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 5

DIRECTION PURSUANT TO CONDITION C17.10 OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE PUBLICATION OF THE CSNP METHODOLOGY.

Whereas:

5. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator Licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").

6. Licence Condition ("LC") C17.10 states:

C17.10. By 31 December 2025 and by 31 December of every third year thereafter, the licensee must (unless otherwise directed by the Authority) publish the CSNP Methodology.

7. LC C17.10 allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

8. In line with LC C17.10, following a request from the Licensee, the Authority has decided to direct Licensee to publish the CSNP methodology by 31 March 2026 instead of 31 December 2026.

Therefore:

In accordance with LC C17.10, the Authority hereby directs the Licensee to publish the CSNP methodology by 15 April 2026 instead of 31 December 2025.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 6

DIRECTION PURSUANT TO CONDITION C17.13 OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE SUBMISSION OF THE CSNP METHODOLOGY TO THE AUTHORITY FOR APPROVAL.

Whereas:

1. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Electricity System Operator Licence ("the Licence") granted or treated as granted under Part 5, section 167 of the Energy Act 2023 ("the Act").
2. Licence Condition ("LC") C17.13 states:

C17.13. By 30 September 2025 and by 30 September of every third year thereafter, the licensee must (unless otherwise directed by the Authority) submit to the Authority for approval the proposed CSNP Methodology.

3. LC C17.13 allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee
4. In line with LC C17.13, following a request from the Licensee, the Authority has decided to direct Licensee to submit the CSNP methodology to the authority for approval by 31 January 2026 instead of 30 September 2026.

Therefore:

In accordance with LC C17.13, the Authority hereby directs the Licensee to submit the CSNP methodology to the authority for approval by 31 January 2026 instead of 30 September 2025.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 7

DIRECTION PURSUANT TO CONDITION C12.10 OF NATIONAL ENERGY SYSTEM OPERATOR'S GAS SYSTEM PLANNER LICENCE IN RELATION TO THE PUBLICATION OF THE CSNP METHODOLOGY.

Whereas:

9. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Gas System Planner Licence ("the Licence") granted or treated as granted under Part 5, section 168 of the Energy Act 2023 ("the Act").

10. Licence Condition ("LC") C17.10 states:

C12.10. By 31 December 2025 and by 31 December of every third year thereafter, the licensee must (unless otherwise directed by the Authority) publish the CSNP Methodology.

11. LC C12.10 allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

12. In line with LC C12.10, following a request from the Licensee, the Authority has decided to direct Licensee to publish the CSNP methodology by 31 March 2026 instead of 31 December 2026.

Therefore:

In accordance with LC C12.10, the Authority hereby directs the Licensee to publish the CSNP methodology by 15 April 2026 instead of 31 December 2025.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025

Annex 8

DIRECTION PURSUANT TO CONDITION C12.13 OF NATIONAL ENERGY SYSTEM OPERATOR'S ELECTRICITY SYSTEM OPERATOR LICENCE IN RELATION TO THE SUBMISSION OF THE CSNP METHODOLOGY TO THE AUTHORITY FOR APPROVAL.

Whereas:

5. National Energy System Operator (the "Licensee") is the holder of the Independent System Operator and Planner – Gas System Planner Licence ("the Licence") granted or treated as granted under Part 5, section 168 of the Energy Act 2023 ("the Act").

6. Licence Condition ("LC") C12.13 states:

C17.13. By 30 September 2025 and by 30 September of every third year thereafter, the licensee must (unless otherwise directed by the Authority) submit to the Authority for approval the proposed CSNP Methodology.

7. LC C12.13 allows the Authority to provide the Licensee with a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee

8. In line with LC C12.13, following a request from the Licensee, the Authority has decided to direct Licensee to submit the CSNP methodology to the authority for approval by 31 January 2026 instead of 30 September 2026.

Therefore:

In accordance with LC C12.13, the Authority hereby directs the Licensee to submit the CSNP methodology to the authority for approval by 31 January 2026 instead of 30 September 2025.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Electricity Act 1989.

Konark Anand,
Head of Transmission Network Planning
For and on behalf of the Gas and Electricity Markets Authority
05 December 2025