

Public

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Request for a direction under C17 (Centralised Strategic Network Plan) of the electricity system operator (**ESO**) licence and C12 (Centralised Strategic Network Plan) of the gas system planner (**GSP**) licence.

Dear Konark,

The licence background

National Energy System Operator Limited (**NESO**) has the following licence obligations:

- ESO licence condition 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’.*
- ESO licence condition 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’.*
- GSP licence condition 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’.*
- GSP licence condition C12.13 – *‘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’.*

Request for a direction

NESO requests Ofgem issues a direction for NESO to publish the first CSNP methodology before 31 March 2026 instead of 31 December 2025 (ESO C17.10 and GSP C12.10). Additionally, we request that Ofgem issues a direction for NESO to submit the CSNP methodology to Ofgem by 31 January 2026 instead of 30 September 2025 (ESO C17.13 and GSP C12.13).

The need for change

For the CSNP methodology to have a reasonable opportunity to meet additional requirements and expectations that we expect to be laid out in the Ofgem guidance document, NESO will require additional development time. This time will enable NESO to further develop and document our approach while continuing to consult with our stakeholders. Key areas of development for the CSNP methodology include:

1. providing more detail for the approach to reasonable monetisation of the non-economic assessment criteria: environment, community, deliverability, and operability;
2. offshore design with a focus on adding clarity regarding the appraisal process for offshore designs within the GB design appraisal process;
3. providing more detail on the cost and programme breakdowns that project owners are required to submit as part of the CSNP;
4. cumulative assessment frameworks for environment, community, deliverability, and operability;
5. providing more detail on the approach and framework needed for hydrogen system planning.

By revising the methodology submission to Ofgem to make these additions, NESO will provide more clarity for stakeholders ahead of the process.

The 4-month submission extension would impact Ofgem's approval of the CSNP methodology as it would reduce Ofgem's approval period from 3-months to 2-months. NESO's discussions with Ofgem have indicated that this 1-month reduction would be acceptable to Ofgem. The proposed methodology submission extension should not impact the delivery timescale of the CSNP.

Conclusion

Further detail is required to provide our stakeholders with the necessary clarity to participate in the CSNP and this detail will take further time to compile. This detail will also aim to provide Ofgem with the required information to make funding decisions based on the outcome of the CSNP in the future.

In line with our discussions with you, we request a direction from Ofgem under the licence conditions:

- ESO C17.10, to delay the first CSNP methodology publication to 31 March 2026 from 31 December 2025,
- ESO C17.13, to delay the first CSNP methodology submission to Ofgem for approval to 31 January 2026 from 30 September 2025.
- GSP C12.10, to delay the first CSNP methodology publication to 31 March 2026 from 31 December 2025,
- GSP C12.13, to delay the first CSNP methodology submission to Ofgem for approval to 31 January 2026 from 30 September 2025.

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Please would you agree to these changes and confirm your response to me. Please contact Lilian Macleod within my team if you'd like to discuss this further or require any further information.

Yours sincerely

Dr Paul Wakeley

Strategic Network Development Manager