

To: National Energy System Operator Limited and other interested parties.

**Energy Act 2023
Section 169(1)**

Notice of statutory consultation on a proposal to modify the conditions of the Electricity System Operator Licence and the Gas System Planner Licence held by National Energy System Operator Limited.

1. Pursuant to section 169 of the Energy Act 2023, the Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the conditions of the Electricity System Operator (ESO) Licence and the Gas System Planner (GSP) Licence held by the above licensee granted or treated as granted under Section 6(1)(da) of the Electricity Act 1989 and Section 5(1)(ca) of the Gas Act 1986 respectively, by amending the following conditions:

- ESO Licence
 - A1 (Definitions)
 - A2 (Interpretation)
 - B1 (Independence Requirements and compliance obligations)
 - B7 (Information ringfencing obligations)
 - C1 (General Obligations on ISOP's activities)
 - C4 (Electricity System Restoration Standard)
 - C7 (Energy resilience and resilience reporting)
 - C9 (Procurement and use of Balancing Services)
 - C12 (Production of information about the National Electricity Transmission System)
 - C13 (The Network Options Assessment (NOA) process and reporting requirements)
 - C17 (Centralised Strategic Network Plan)
 - D5 (Data assurance requirements)
 - F1 (Expenditure and allowed revenue)
 - F2 (Innovation funding)
 - F3 (Recovery of transmission network revenues)
 - F5 (Financial Model and Handbook)
 - F7 (Remuneration Policy and Expenses Policy)
 - F10 (ISOP implementation funding)
 - G1 (Business Plan)
 - G2 (Performance reports and assessment)
 - G3 (Regulatory Instructions and Guidance (RIGs))
- GSP Licence
 - A1 (Definitions)
 - A2 (Interpretation)
 - B1 (Independence Requirements and compliance obligations)
 - B6 (Information ringfencing obligations)
 - C1 (General obligations on ISOP's activities)
 - C6 (Energy resilience and resilience reporting)
 - C12 (Centralised Strategic Network Plan)
 - D4 (Data assurance requirements)

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

- F1 (Expenditure and Allowed Revenue)
 - F4 (Financial Model and Handbook)
 - F5 (Remuneration Policy and Expenses Policy)
 - G1 (Business Plan)
 - G2 (Performance reports and assessment)
 - G3 (Regulatory Instructions and Guidance (RIGs))
2. We are proposing these changes following our decision in August 2025 on National Energy System Operator (NESO)'s enduring regulatory framework (the 'August 2025 Decision')². Further background, as well as a summary of the changes we propose to make to the above conditions can be found in our main consultation document. This has been published on the same webpage as this Notice (see consultation document on the 'Implementation of NESO's enduring regulatory framework').
 3. The main reason for these proposed modifications is to implement our August 2025 Decision. The full reasons for, and effects of, amending each of the conditions are detailed in the consultation document noted above.
 4. Copies of the proposed modifications in this Notice have been published as subsidiary documents to our consultation document. This can be found on the consultation section of our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.
 5. Any representations with respect to the proposed licence modifications must be made on or before 26/01/2026 to: NESO Framework Development team, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU **or** by email to NESOregulation@ofgem.gov.uk.
 6. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
 7. Following consideration of the responses to this consultation, if we decide to make the proposed modifications, we intend for them to take effect from 1 April 2026.

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David Beaumont
Head of NESO Framework Development
Duly authorised on behalf of the
Gas and Electricity Markets Authority

11/12/2025

² [Decision-on-the-enduring-regulatory-framework-for-NESO.pdf](#)