

Call for input

End of Year Review for NESO's BP3 assessment period

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Response deadline:	18 May 2026
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We have reached the end-year point of National Energy System Operator (NESO)'s Business Plan 3 (BP3) assessment period and the end of the RIIO-2 price control. This document outlines our Call for input on NESO's performance between 1 April 2025 and 31 March 2026.

We are seeking views from any stakeholders who have evidence and positions to share on how well NESO are performing against their stated BP3 objectives.

Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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1. Introduction

This chapter outlines the most significant changes for NESO’s performance incentives framework from BP2 to BP3. We request input from NESO’s stakeholders regarding its performance and engagement with them over the BP3 period.

Background

National Energy System Operator (NESO) is an independent, public corporation which has key responsibilities across the energy system. NESO has a leading role in driving a secure and cost-effective transition to a clean energy system, and its overarching duties and objectives are unpinned by legislation.¹ BP3 marks the final assessment of NESO under the RII0-2 price control.

BP3 performance incentives framework

In November 2024 we² published our [Decision on NESO’s performance incentives framework for BP3](#). In our decision we outlined a departure from the previous “Roles” framework, as this would allow us to apply a single consistent methodology to our NESO performance assessment that is applicable to all NESO activities.

We decided to adapt our assessment methodology away from using five distinct, stand-alone evaluation criteria in BP2. Instead, our assessment would focus on two parts: Part 1: NESO’s achievement of its business plan aims (whether NESO has successfully delivered its agreed Performance Objectives and to an appropriate quality using Success Measures)³ and Part 2: NESO’s delivery of value for money.

Finally, we decided to change the way NESO will be graded for this assessment period. We will no longer provide a numeric score from 1-5 for each assessment component. Instead, we will provide a “Below / Meets / Exceeds Expectations” grading for each part of the assessment, which will then be combined with all other relevant information to form an overall assessment of NESO’s performance for BP3. This will result in an overall “Below / Meets / Exceeds Expectations” grading.

NESO’s End of Year assessment

The assessment is performed by both Ofgem and the independent Performance Panel, using the framework outlined in the [NESO Performance Arrangements Governance Document](#) (PAGD). The Performance Panel’s assessment forms a recommendation we use to make a final decision. We will publish our conclusions in the Performance Assessment Report.

¹ See sections 163-165 of the Energy Act 2023 for more details: [Energy Act 2023](#).

² The terms “we”, “us”, “our”, “Ofgem” and “the Authority” are used interchangeably in this document and refer to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

³ For further guidance on NESO’s Performance Objectives and Success measures, see our [BP3 NESO Business Plan Guidance Document](#).

Purpose of this call for input

A key component of our assessment is the opinion of NESO's stakeholders on its overall performance and engagement over the BP3 period. We're looking to draw on the knowledge and expertise of a wide range of stakeholders to perform a comprehensive assessment of NESO's BP3 performance.

We're publishing this call for input to request stakeholder feedback on NESO's performance from 1 April 2025 to 31 March 2026. We welcome feedback on any of NESO's two assessment components:

- Part 1: achievement of business plan aims; and
- Part 2: delivery of value for money.

This includes areas where you believe NESO is below, meeting, or exceeding expectations.

We'd appreciate feedback categorised into each of NESO Performance Objectives (see Appendix 1), and particularly welcome feedback on the key themes raised in our [Final Determinations of NESO's BP3](#).

2. Call for input process

This chapter outlines the call for input process, key dates and our approach to respondents' responses and data.

Call for input stages

Stage 1 Call for input open: 17 April 2026

Stage 2 Call for input closes. Deadline for responses: 18 May 2026

Stage 3 Ofgem's BP3 end-scheme assessment: Summer 2026

How to respond

We want to hear from anyone interested in this call for input. Please send your response to the person or team named on the front page of this document before the response deadline.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

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If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a call for input

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A call for input has two stages: 'Open' and 'Closed'.

3. Next steps

This chapter outlines the next steps following this call for input of NESO's BP3 assessment.

NESO will publish its End of Year Report in May 2026. This will be followed by a stakeholder event in June, a chance for verbal feedback and engagement with NESO on its performance during BP3.

The Panel will assess NESO's performance and publish a report following this. We will also be assessing NESO's performance, considering the Panel's recommendations to us, and we will publish a report with our final decisions later this summer.

If you have any questions on the contents of this document, please contact us on NESORegulation@ofgem.gov.uk.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this call for input. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

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Appendix 1 NESO’s Performance Objectives and proposed outcomes

The following Performance Objectives and their proposed outcomes are taken from NESO’s [BP3 document](#). For more in-depth information, such as the list of associated Success Measures, please consult NESO’s publication. We have also included, where applicable, any additional outcome expectations we previously highlighted in our [Draft Determinations](#) and [Final Determinations](#) documents.

Table 1: List of NESO BP3 Performance Objectives, corresponding NESO proposed outcomes and additional Ofgem expectations

Performance Objective	Proposed NESO outcome	Additional Ofgem expectations
Strategic Whole Energy Plans	NESO will establish the capabilities, foundations and methodologies needed to deliver national and regional strategic whole energy plans.	We expect NESO’s outputs under this Performance Objective to be able to be relied upon for decision making and industry planning.
Enhanced Sector Digitalisation and Data Sharing	NESO will work with the sector to develop an aligned and interoperable digital ecosystem that enables industry digitalisation collaboration utilising innovation, underpinned by transparent data sharing and access.	We expect NESO to be recognised as a digital leader that has collaborated with the sector to define digitalisation priorities and for NESO to clearly articulate what it envisages its role in this digital ecosystem to be. We expect the organisational function and capabilities required to deliver the role of interim data sharing infrastructure coordinator be in line with Ofgem's decision on Governance of the Data Sharing Infrastructure .
Operating the Electricity System	NESO will transparently operate a safe, reliable and efficient system throughout BP3, while continuing to transform the capabilities of our people, processes and systems to enable secure	We expect NESO’s skip rates performance to ensure skips rates fall as far as possible, as fast as possible during BP3. By the end of BP3, NESO should deliver a substantial reduction in skip

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Performance Objective	Proposed NESO outcome	Additional Ofgem expectations
	zero-carbon operation of the system by the end of 2025.	<p>rates with a target of relative parity across technology types.</p> <p>This outcome should be visible in both the methodology at the time of publication of the Business Plan and any updated methodology agreed with industry.</p>
Connections Reform	NESO will drive delivery and implementation of a reformed connections process that enables projects needed for 2030 and beyond to connect in a timely and coordinated manner.	N/A
Fit-for-Purpose Markets	NESO will support the government in making informed decisions on policy and market reform across the whole system. We will also continue to reform our own markets to level the playing field and deliver value to consumers.	<p>We expect NESO to evidence:</p> <ul style="list-style-type: none"> • how its markets can support a zero-carbon system, at low cost to the consumer, with clear and consistent revenue opportunities to market participants; • that markets operate efficiently, in support of a zero-carbon operable system with significantly reduced barriers to entry; and • that there is coordination of rules and development across markets, including across energy vectors. All stakeholders, particularly market participants, Ofgem and government, should be informed as to the opportunities for market improvements (including through REMA) and a clear roadmap in place and communicated for the removal of remaining barriers.

Performance Objective	Proposed NESO outcome	Additional Ofgem expectations
		<p>NESO should proactively engage with the market facilitator (Elexon) ahead of market facilitator launch⁹ and NESO should also continue to work with the Open Networks programme ahead of that point, delivering on actions where relevant.</p> <p>NESO should evidence how it has engaged proactively in the identification of GB rule changes (including relevant industry codes and standards) and work to affect change positively to the benefit of the GB consumer.</p>
<p>Secure and Resilient Energy Systems</p>	<p>NESO will improve whole energy system emergency preparedness and resilience. We will ensure the necessary capabilities and requirements are in place and facilitate industry readiness to meet the Electricity System Restoration Standard.</p>	<p>We expect NESO to establish the capability to fully meet Parts A, Energy risk and threat advice, and B, Post-event and post-emergency analysis, of its Energy resilience and resilience reporting licence condition obligations.</p> <p>NESO should provide the Emergency Processes Assessment to Ofgem and DESNZ by 1 December in line with NESO’s licence obligation. This should follow collaboration with industry to improve processes, procedures and general prevention and response actions to potential severe disruptive events that could impact society. The outcome of which should be an increase to the overall resilience of the whole energy industry.</p> <p>NESO should continue to work on medium-term adequacy modelling, building on the developments made in BP2 including:</p> <ul style="list-style-type: none"> the Electricity Capacity Report and the annual cycle of development projects to enhance the modelling; and

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Performance Objective	Proposed NESO outcome	Additional Ofgem expectations
		<ul style="list-style-type: none"> adequacy modelling, including assessment of the 2030s, looking beyond the time horizon set out in CP2030 which now includes a new, dedicated assessment of gas supply security to be produced by 31 October each year.
Clean Power 2030 Implementation	NESO will play a pivotal role in securing clean power for Great Britain by 2030 on the path to net zero by 2050. Building on our 2024 advice to government on pathways to a clean, secure, operable and deliverable electricity system, we will move to action and implementation in line with the government’s CP30 action plan.	We expect NESO to support Long Duration Electricity Storage developments.
Separated NESO Systems, Processes and Services	NESO will transition remaining systems, processes and services from National Grid to NESO ownership to enhance our capabilities and establish our autonomy and full independence.	We expect that NESO’s progress in transitioning from National Grid enables it to become a fully independent organisation with control over decisions on how best to resource its activities by 1 October 2026. We will assess NESO’s ability to demonstrate this independence by the end of BP3.