



Ofgem

9 March 2026

Dear sir/madam

**Re: Determinations for NESO1 Business Plan**

We welcome the opportunity to comment on Ofgem's *Draft Determinations on the NESO1 Business Plan*. We broadly support Ofgem's outcomes-focused approach and the emphasis on transparent performance assessment for the 2026–28 period.

Our response focuses on three areas where we agree with Ofgem's assessment and proposals:

**1. Strategic Aims: clearer line-of-sight to the next Business Plan**

We agree with Ofgem that NESO's strategic aims should provide a stronger line-of-sight to near-term objectives, activities and spend in the business plan. As Ofgem notes, several of NESO's aims read as facilitative (e.g., workforce engagement) rather than outcome-oriented, and the connection between the long-term aims and the 2026–28 performance objectives could be more specific.

We support Ofgem's proposal to require NESO to update its strategic aims by December 2026 so that they:

- articulate clear, longer-term outcomes;
- explicitly guide shorter-term performance objectives and deliverables; and
- give stakeholders a transparent rationale for prioritisation across functions.

Aligning revised strategic aims ahead of the 2028–30 plan will materially improve accountability and reduce ambiguity for industry participants who depend on NESO's planning signals and delivery cadence.

**2. Customer trust, independence and decision-making transparency**

We strongly support Ofgem's proposal to add a dedicated performance objective on providing a high-quality, independent and trusted service (Performance Objective G). In our view, this is essential to secure confidence in NESO's role as an impartial system operator and planner across electricity and gas.

We particularly endorse the outcomes under this objective, namely:

- High stakeholder and customer trust in NESO;



- Clear plans and strategies that enable stakeholders to hold NESO to account;
- Improved decision-making transparency, including timely communication of decisions and milestones; and
- Quality, independent code administration, spanning both market-facing and technical codes.

The indicative success measures proposed – such as timeliness and quality of strategy/business plan publications, evidence of broad and timely engagement, and survey-based trust indicators – are directionally right and, once specified, will provide an important reputational incentive. We would welcome clear, published methodologies for these measures (see Section 3).

### **3. Specificity and measurability of NESO's Performance Objectives**

We agree with Ofgem that many of the success measures and major deliverables in the NESO1 plan lack the specificity and measurability required for a fair, outcomes-based assessment. Ofgem's observation that numerous deliverables cluster at March 2028, or are labelled "ongoing," underlines the need for more granular interim milestones, robust methodologies and clear evidence thresholds.

We support Ofgem's reframing of NESO's impact pathways to produce a clearer, more objective basis for evaluation. This sharpening is helpful, provided it is underpinned by well-defined success measure methodologies and time-phased targets.

In conclusion, we commend Ofgem's direction of travel and believe the following will materially improve the NESO1 framework and subsequent cycles:

- Re-articulate strategic aims as outcome-oriented statements that clearly inform NESO's near-term performance objectives and spending priorities, with updated aims published by December 2026 to shape the 2028–30 plan.
- Embed a dedicated customer trust and transparency objective with robust, published methodologies for its success measures.
- Enhance specificity and measurability across all objectives through clear methodologies, baselines, interim milestones and attribution narratives, underpinned by continued publication of BP3-style reported metrics mapped to success measures.

We would be happy to engage further on practical refinements to success measure methodologies and targets to ensure they drive the right behaviours and provide meaningful insight to stakeholders.

Kind regards

Yours sincerely,

Greg Moulds  
Head of Policy and Engagement