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9 July 2026

Subject: Request for derogations under C12 (*Production of information about the National Electricity Transmission System*) and C13 (*The Network Options Assessment (NOA) process and reporting requirements*) of the electricity system operator (ESO) licence and C8, Parts B and C (*Gas strategic network planning*) of the gas system planner (GSP) licence.

Dear Rebecca,

National Energy System Operator Limited (**NESO**) is delivering the first joined up strategic energy plans needed for Great Britain (**GB**) to decarbonise its energy systems and drive economic growth. Through our Spatial Strategic Energy Plan (**SSEP**) and then the Centralised Strategic Network Plan (**CSNP**), we will plan strategically, allowing for the integration of different energy sources and technologies in the future, enhancing the resilience of the transmission network.

The CSNP will deliver a whole-system view of electricity transmission, gas transmission and hydrogen transportation and storage systems. It will provide a 25-year blueprint of where the network infrastructure will be needed to transport energy around GB. It will provide clarity and transparency on relevant asset investment requirements and decisions.

The need for change

As we move to the CSNP, NESO is requesting that Ofgem pause the application of a number of the existing Electricity Ten Year Statement (**ETYS**), Network Options Assessment (**NOA**), Gas Options Advice (**GOA**), Gas Network Capability Needs Report (**GNCNR**) licence obligations so the same information can be delivered once, through the CSNP process. This avoids duplication, reduces confusion, and allows NESO and other stakeholders to focus on the new whole-system planning framework.



The licence background

NESO has the following licence conditions:

- ESO licence condition (**LC**) C12 (*Production of information about the National Electricity Transmission System*), with the following dated requirements:
 - ESO LC C12.2 – *‘In each 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.’*
 - ESO LC C12.10 – *‘The licensee must by 1 June in each Financial Year (or by another date as directed by the Authority), notify the Authority of any proposed revisions to the ETYS it intends to make and publish in accordance with paragraph C12.2.’*
- ESO LC C13 (*The Network Options Assessment (NOA) process and reporting requirements*), with the following dated requirements:
 - ESO LC C13.4 – *‘Following any consultation in accordance with paragraph C13.3, the licensee must, by 1 August of each Financial Year, or at such other date as directed by the Authority, submit to the Authority for approval the proposed NOA methodology.’*
 - ESO LC C13.9(b) – *‘The licensee must at least once in each Financial Year publish an updated NOA report by 31 March or such other date as directed by the Authority.’*
- GSP LC C8 (*Gas strategic network planning*) with the following dated requirements:
 - GSP LC C8.5 – *‘The licensee must prepare the Gas Network Capability Needs Report and provide it to the Authority and to the NTS System Operator by 31 December in the Regulatory Year commencing on 1 April 2024 and every second Regulatory Year thereafter or such other date as directed by the Authority in a form approved by the Authority.’*
 - GSP LC C8.9 – *‘The licensee must publish its Gas Network Capability Needs Report by 31 December in the Regulatory Year commencing on 1 April 2024 and every second Regulatory Year thereafter or such other date as directed by the Authority in a form approved by the Authority, on its website in a readily accessible form and manner.’*
 - GSP LC C8.15 – *‘The licensee must publish its Gas Options Advice Document by 31 December 2025, and by 31 December in every 2 subsequent Regulatory Years, on its website in a readily accessible form and manner.’*

Our GSP and ESO CSNP licence conditions (LC C12 and C17 respectively) set out the updated regulatory obligations for the future investments on the transmission gas and electricity networks. The CSNP (as set out in the licence conditions and/or CSNP Guidance document¹) will include information provided by the licence conditions set out above.

¹ Ofgem, [Centralised Strategic Network Plan](#) | Ofgem
Ofgem. [Centralised Strategic Network Plan](#)



Ofgem's Direction to NESO on CSNP publication timing

Under our ESO LC C17 and GSP LC C12, NESO is required to prepare and publish the CSNP. On 15 April 2026² Ofgem directed NESO as follows:

- "Under LC C17.16 of the ESO Licence we direct NESO to submit the Centralised Strategic Network Plan to Ofgem by **15 September 2028**, instead of by 01 June 2027. Under LC C17.18 of the ESO Licence we direct NESO to publish the Centralised Strategic Network Plan by **15 December 2028**, instead of by 31 December 2027.
- Under LC C12.16 of the GSP Licence we direct NESO to submit the Centralised Strategic Network Plan to Ofgem by **15 September 2028**, instead of by 01 June 2027. Under LC C12.18 of the GSP Licence we direct NESO to publish the Centralised Strategic Network Plan by **15 December 2028**, instead of by 31 December 2027."

Request for derogations

We are kindly requesting that Ofgem grants derogations from the following licence conditions:

- The requirements of ESO LC C12 (*Production of information about the National Electricity Transmission System*) in their entirety³ until 15 December 2028⁴. The information provided in the ETYS will instead be included in the CSNP under ESO LC C17 Part A and as set out in the CSNP Guidance (Section 5: Stage 2 – Identifying system needs) and expected to be published by 31 August 2027.
- The requirements of ESO LC C13 (*The Network Options Assessment (NOA) processes and reporting requirements*) in their entirety⁵ until 15 December 2028. The information provided in the NOA will instead be included in the CSNP under ESO LC C17 Part A and as set out in the CSNP Guidance (Section 7: Stage 4 – decision making framework) and published by 15 December 2028.
- The requirements of GSP LC C8 (*Gas Strategic Network Planning*) Part C in their entirety⁶ until 15 December 2028. The information provided in the GOA will instead be included in the CSNP under GSP LC C12, Part A and as set out in the CSNP Guidance (Section 7: Stage 4 – decision making framework) and published by 15 December 2028.

² Ofgem, [Direction to NESO on CSNP publication timing](#) | Ofgem

³ This would be a derogation under ESO LC C12.13.

⁴ For this and the following bullet points, we are requesting a derogation until the date on which the first CSNP is due to be delivered. In the longer term we expect that these licence obligations will be removed from our licences. In the event they are not, we expect to make requests to extend these derogations before the end of 2027.

⁵ This would be a derogation under ESO LC C13.22.

⁶ This would be a derogation under GSP LC C8.17.



- The requirements of GSP LC C8.9 (*Gas Strategic Network Planning*) until 15 December 2028⁷. The information required to be contained in the GNCNR will be shared with NGT and Ofgem by 31 December 2026 (as part of the development of the CSNP) but we are requesting a derogation to not publish the GNCNR as required by GSP LC C8.9. We will still provide NGT with the information required which will allow NGT to respond to NESO via the Strategic Planning Options Proposal (**SPOP**) licence obligation (NGT SpC 9.10 Part B). The information provided in the GNCNR will be included in the CSNP under GSP LC C12, Part A and as set out in the CSNP Guidance (Section 5: Stage 2 – Identifying system needs). The information provided in the GNCNR is expected to be published by 31 August 2027.

The proposal

The CSNP will provide the information and content which would be required to satisfy our licence obligations in the ETYS, NOA, GNCNR and GOA and published in accordance with the CSNP timetable. We request that the CSNP process should be followed in place of our licence obligations relating to ETYS (ESO LC C12), NOA (ESO LC C13) and GOA (GSP LC C8). NESO will provide the upcoming GNCNR to NGT by 31 December 2026 to ensure that NGT has the information it needs to produce the SPOP. However, we are proposing not to publish the GNCNR by 31 December 2026 as the relevant information will be contained within the CSNP and published in accordance with the CSNP timetable.

The CSNP methodology (approved and published in April 2026⁸ after extensive stakeholder engagement and consultation) sets out what information and analysis will be considered, assessed and published, in accordance with the CSNP Guidance document⁹. The CSNP methodology also contains the information which would have been provided under our ESO LC C13.4.

For the avoidance of doubt, we propose that the steps required in our licence conditions which are inconsistent with the CSNP process, (such as updating the ETYS every 6 months under ESO LC C12.9 ETYS), would no longer be followed.

Following the processes set out in our ETYS (ESO LC C12), NOA (ESO LC C13), GNCNR and GOA (GSP LC C8) licence conditions where the information will also be provided as part of CSNP (ESO LC C17 and GSP LC C12), will result in complexity and inefficiency, leading to:

1. additional and unnecessary duplication of activities
2. stakeholder confusion in understanding the difference between the CSNP, ETYS, NOA, GNCNR and GOA outputs
3. additional burden on transmission licensees in fulfilling their long-term network planning obligations

⁷ This would be a derogation under GSP LC C8.17.

⁸ Ofgem, [CSNP Methodology Approval Decision](#)

⁹ Ofgem, [Centralised Strategic Network Plan](#) | Ofgem



4. less opportunity for our stakeholders to participate in the CSNP whilst they respond to ETYS, NOA, GNCNR and GOA consultations and /or requests for information
5. confusion in the approach which will be taken for similar but slightly different activities under the various licence obligations.

Proposal impacts and mitigations

We acknowledge that any revision to the ETYS, NOA, and GOA outputs may result in delays to transmission network investments required to decarbonise the energy systems in GB and for stakeholder access to accurate network data required for downstream processes.

These potential risks are alleviated by the refresh of the second transitional Centralised Strategic Network Plan (**tCSNP2r**)¹⁰ and 2025 ETYS¹¹ both of which were published on 30 June 2026¹². The tCSNP2r provides signals for electricity transmission projects in the 2030s, keeping network build on track and providing the foundation for the CSNP analysis. The 2025 ETYS dataset will ensure that the downstream processes, including charging and balancing continue to have timely access to the information required.

Additionally, for gas networks, NESO will provide the GNCNR content to NGT and Ofgem by 31 December 2026 (but not published) so that NGT can undertake its various analysis of the gas national transmission system (**NTS**) and propose reinforcement options for the NTS needs.

This will enable NGT to fulfil its licence obligations related to SPOP. Thereafter, we can conduct our GOA assessment within the CSNP process which will be an assessment of the various options, including those submitted by NGT in the SPOP.

Proposal benefits

The intention of this proposal is to avoid duplication of efforts on activities which will form part of the CSNP. This will enable us, in collaboration with the CSNP's delivery partners, to focus time, resources and effort on the successfully delivery of the first CSNP.

The request will:

1. provide NGT with the information required to meet its licence conditions
2. provide a seamless transition to the long-term planning obligations and framework
3. allow stakeholder engagement to focus on CSNP, making efficient use of our stakeholder's time and resources

¹⁰ NESO, [Beyond 2030 – Electricity Transmission Update | National Energy System Operator](#)

¹¹ NESO, [ETYS documents and appendices | National Energy System Operator](#)

¹² Ofgem, [Direction to NESO on Network Options Assessment and Centralised Strategic Network Plan Methodology](#)
Ofgem, [Direction to NESO on Network Options Assessment and Centralised Strategic Network Plan methodology | Ofgem](#)



4. allow parties to focus on completing the analysis as set out in the CSNP Guidance and CSNP methodology
5. provide certainty to the industry on the longer-term networks needs through the CSNP.

As the delivery of the CSNP is intrinsically linked to the other strategic energy plans and extensive collaboration with the CSNP's delivery partners, we will continue to provide regular updates to Ofgem and our stakeholders on the CSNP programme timeline (see annex) and associated dependencies.

Conclusion

For the reasons outlined in this letter, we kindly ask that you consider these derogation requests at your earliest convenience. Please contact Lilian Macleod (electricity) and Luke Culter (gas) if you'd like to discuss this further or require any additional information.

Yours sincerely

Dr Paul Wakeley (Head of Electricity Network Strategy) and Angus Paxton (Head of Gas and Whole Energy Network Development)



Annex – CNSP Programme Timeline

CNSP programme timeline

