



End of Year Review for NESO's BP3 assessment period

SSE Group Response to Ofgem's Call for input

About SSE:

SSE is a UK-listed and headquartered company investing £33 billion over the five years to 2030 in a cleaner, more secure and more affordable energy system. SSE builds and operates vital electricity transmission and distribution networks to connect and transport more secure power to homes and businesses. It also harnesses some of Europe's best renewable resources through generating homegrown clean energy with offshore wind, onshore wind, and solar, protecting billpayers from overdependence on imported fossil fuels. At the same time, through its fleet of flexible generation and storage assets across hydropower, batteries and efficient gas-fired power stations, as well as developing carbon capture and hydrogen projects, it provides the balance required to ensure an increasingly renewable energy system is not only cleaner but more secure.

Performance Objective 1: Strategic Whole Energy Plans

SSE recognises the innovative and complex nature of developing first-of-its-kind strategic spatial energy plans. NESO has made tangible progress in establishing itself as a distinct organisation and in setting out its ambitions for Strategic Whole Energy Plans. In this context, the SSE Group brings a broad industry perspective that spans both network operators and generators. It is therefore unsurprising that this breadth of perspective gives rise to differing views on matters of critical importance to the industry, including NESO's performance against this objective.

From the networks' perspective, SSEN Transmission's experience of engaging with NESO has been broadly positive in terms of the quality of the communications, openness, and responsiveness, particularly given the context of significant institutional transition. Engagement, where undertaken, has been constructive, with NESO teams demonstrating openness to challenge, willingness to explain assumptions, and responsiveness to stakeholder input. This has helped build confidence in NESO's technical capability. NESO has also provided timely updates on the progression of key workstreams, allowing stakeholders to track developments over the BP3 period. This has helped build confidence in NESO's technical capability. NESO has also provided timely updates on the progression of key workstreams, allowing stakeholders to track developments over the BP3 period.

SSEN Transmission considers that NESO has delivered against the intent of the Strategic Whole Energy Plans objective, which requires stable, coherent and long-term whole-system frameworks that can be relied upon by industry and regulators. In some cases, strategic planning activity appeared to be driven by short-term requirements rather than testing long-term system implications with stakeholders which has meant that, on occasion, stakeholders had limited opportunity to input or validate underlying assumptions and data. This has weakened confidence in the durability and independence of outputs intended to guide long-term investment decisions. For example, the Holistic Network Design (HND) was intended to provide a coordinated, enduring offshore transmission design; however, in practice it was heavily influenced by near-term Offshore Wind leasing and connection requirements. As a result, HND outputs were not fully embedded within a broader whole-system pathway, particularly in relation to onshore network integration, future demand evolution, and wider system optimisation. The subsequent HND Follow-Up Exercise (HNDFUE) further illustrates this challenge. Rather than building from a clearly defined and stable baseline, it operated as an iteration responding to emerging issues, effectively reopening design considerations

without a clearly articulated long-term anchor. This has created uncertainty around the persistence of planning outputs and reduced confidence in the stability of strategic direction.

From SSE's perspective as a generator, NESO's to-date delivery of the SSEP planning process could have been significantly strengthened through earlier and more extensive engagement with industry stakeholders, particularly energy developers. Only one public consultation (on the draft SSEP methodology in December 2024) has been undertaken to date. Moreover, it is noted with concern that NESO has confirmed that neither public consultation nor visibility of the short-listed SSEP pathways will occur before submission to the Secretary of State and selection of the final pathway. There has been some progress in enhancing transparency and visibility of certain SSEP raw inputs through the publication of datasets by DESNZ, following concerted advocacy from industry stakeholders. However, this improvement does not extend to all input sources and there continues to be little visibility of NESO's own assumptions, analysis, modelling, and preliminary outputs (beyond the limited, high-level narrative shared with the Industry Working Group).

Likewise, although NESO has conducted several workshops with industry stakeholders about the CSNP methodology—especially regarding emerging technologies such as hydrogen—the updated draft of the CSNP methodology and NESO's reply to industry feedback after the consultation were not made public. SSE recognises that NESO operates under confidentiality obligations imposed by DESNZ, which has necessarily constrained communications. Nonetheless, NESO could have provided clearer explanations regarding the nature of these restrictions and the reasons for their implementation.

Broadly, SSE considers that there is a need for stronger coordination on regulatory aspects between TOs, NESO, and Ofgem, and better regulatory alignment across Strategic Whole Energy Planning activities. For example, interactions between NESO's CSNP change control process and existing Ofgem control mechanisms could create potential duplication or conflict, particularly where both frameworks seek to reassess project need under changing cost or delivery conditions. Clarity over roles, responsibilities and accountabilities also remains a key issue. It has not always been evident how strategic decision making is distributed between NESO, Ofgem and DESNZ, making it difficult for stakeholders to understand how trade-offs are made and where accountability ultimately sits. This lack of clarity has, at times, reduced confidence in decision making processes underpinning strategic plans.

Greater transparency is also required in relation to the consideration of feedback, as it has not always been evident how stakeholder input has informed outcomes or why certain feedback has not been taken forward. Providing clearer explanations in this regard would strengthen confidence both the process and the resulting outputs. In addition, there are further opportunities to improve inclusivity and coordination across the full range of system stakeholders. For example, earlier and more consistent involvement of network operators in planning discussions, alongside stronger coordination with distribution focused processes, would support better alignment between strategic plans and operational realities. This is increasingly important as the growth of distributed energy resources drives greater interdependency across network levels.

Overall, SSE recognises the scale of challenge faced by NESO in establishing a new strategic planning function at pace and across an expanding remit. NESO has made clear progress in building the foundations for Strategic Whole Energy Planning; however, further improvements in governance clarity, coordination, stakeholder engagement, and long-term consistency will be critical to fully realise the intent of this objective.

Performance Objective 2: Enhanced Sector Digitalisation and Data Sharing

NESO has met expectations against the Enhanced Sector Digitalisation and Data Sharing objective, whilst recognising the complexity of NESO's role in advancing sector digitalisation alongside a wide range of competing priorities.

NESO has demonstrated transparency, effective communication, and responsiveness to feedback during BP3, particularly throughout the development of the Minimum Viable Product. While its pilot phase faced challenges relating to project management and tight timelines, NESO remained open to feedback and showed notable improvement over the period.

Engagement has been broad and effective, involving multiple SSEN Transmission functions, including technical, legal, architectural, stakeholder and sponsor level groups, supporting strong collaboration and alignment.

In relation to data sharing, NESO's performance also meets expectations; however, there are areas for improvement. A continued focus on data accuracy would be beneficial. Ensuring rigorous verification prior to dissemination, such as cross-referencing with source data and applying appropriate quality control checks will help maintain stakeholder trust and support informed decision-making.

Stronger communication between SSEN Transmission and other Transmission Owners would support more effective preparation aligned with NESO's Enterprise Architecture. NESO can further enable this through proactive engagement with Transmission Owners, for example via quarterly review forums focused on dependencies and digital strategy. This approach would strengthen collaboration and reduce risks associated with operating independently.

Performance Objective 3: Operating the Electricity System

NESO's performance against this objective meets expectations. NESO has generally demonstrated responsive behaviour and provides timely, clear information to support operational coordination.

NESO has consistently shown its ability to operate with appropriate resilience, including maintaining backup capability and deploying generation in response to system events. Established arrangements, such as Emergency System Restoration (ESR), are supported by robust business continuity processes and effective coordination with SSEN Transmission.

Contractual arrangements ensure the availability of ESR-capable 'self-start' generation, and NESO provides clear and timely communication on testing and readiness activities. This supports effective coordination and helps mitigate system restoration risks.

Nevertheless, SSE has observed that NESO's operational decision-making processes appear to have become more layered in certain instances during BP3. For example, there are cases where control room decision-making (e.g. by the Transmission System Engineer) has required additional escalation to management (e.g. Transmission System Manager), where this may not previously have been necessary or proportionate. This can introduce delays in implementing time critical actions.

In addition, engagement on operational matters can at times be reactive, particularly in relation to voltage control and asset overloads. There have been instances where Transmission Owners have needed to initiate contact with the System Operator to prompt appropriate actions, rather than engagement being consistently proactive. Strengthening anticipatory operational coordination would help improve efficiency and support more effective system management.

Performance Objective 4: Connections Reform

SSE appreciates that NESO set out to deliver the Connections Reform Gate 2 to the Whole Queue exercise with defined and ambitious timescales, with the clear objective of providing customers with the earliest possible certainty. Consistent with the response to Performance Objective 1, the SSE Group's broad perspective means that views on NESO's performance against this objective are necessarily nuanced.

The scale and complexity of reforming the queue, the complexity associated with gathering evidence from customers, and underlying system and data challenges has meant that delivery of exercise was delayed on multiple occasions. From a generator perspective, at a minimum these delays have increased costs and caused frustration for developers. In the worst case, they risk undermining progress towards net zero by contributing to oversubscription against CP30 and prolonging uncertainty regarding offers.

While NESO has engaged consistently with customers throughout this period via regular webinars, it has demonstrated a lack of customer consideration in its activities. For example, the rushed process ahead of the G2tWQ application window has forced developers to agree to offers that were either unfinished or incorrect.

In addition, the lack of bilateral engagement concerning areas of unclear policy and project-specific queries has meant that issues are frequently left unresolved, and projects have been forced to progress at risk. Moreover, the complete cessation of direct customer contact was unhelpful, and it has been clear on several occasions that NESO has not understood the queries raised and therefore has not responded to complex questions raised via the webinars appropriately.

Connections reform is an industry-wide challenge that requires a collaborative response. NESO's limited engagement with developers has contributed to ongoing difficulties, including shortcomings in portal functionality and supporting documentation, both of which remain inadequate. This approach has also led to a lack of clarity in certain policy areas, including the treatment of existing operational connections. It is vital that NESO now moves beyond this approach and ensures that support during the offers process is strengthened further.

In parallel, and notwithstanding the delays to Connections Reform, NESO has continued to work closely with DESNZ, Ofgem and Transmission Owners to progress reform activity aimed at accelerating strategic demand connections, demonstrating continued commitment to delivering the wider objectives of the reform programme. From SSEN Transmission's perspective, NESO has adopted a positive and effective approach to collaborative working with Transmission Owners. NESO established a structured Connections Reform programme, supported by specialist cross-industry working groups designed to avoid duplication of activity and to make appropriate use of skills and expertise across NESO and

the networks. This approach worked well in practice and was particularly valued during a highly pressured period, as SSEN Transmission prepared its internal teams to deliver Gate 2 to the Whole Queue.

Following review of the objective and associated success measures, all parts of SSE judge that NESO has not achieved those relating to the issuing of revised offers within the originally envisaged timescales. Therefore, NESO's overall performance against this element would be assessed as below expectations. In making this assessment, due regard has been given to the unprecedented nature of this exercise, the significant scale and complexity involved, the ambitious timescales that were set, and the consequential risk of unforeseen challenges arising.

The area where greater efficiency, accuracy and transparency could have been achieved by NESO was most notably in the management of data. Data should have been verified and digitalised prior to the commencement of Connections Reform. Moreover, better use of feedback and analysis from TOs in relation to data alignment issues prior to Gate 2 to the Whole Queue could have reduced the scope of data remediation activities during the exercise. Stakeholder confidence is understandably undermined where NESO's project information is inaccurate or where material changes to offers are not communicated in a clear and transparent manner.

Performance Objective 5: Fit-for-Purpose Markets

NESO has met expectations against the Fit for Purpose Markets objective. However, there remain areas for improvement which would enable Transmission Owners to better support NESO and further strengthen the working relationship, ultimately supporting the delivery of optimal outcomes underpinned by transparency and effective communication.

NESO has engaged appropriately with SSEN Transmission and has been proactive in requesting relevant information. We would encourage NESO to work collaboratively with Transmission Owners to better understand how the transmission network is evolving over the next decade and the implications this has for network operation. For example, the timing of the Long-Term 2029 tender meant that SSEN Transmission's assets were not accounted for in the baseline when calculating requirements. While we recognise the need to communicate requirements to Transmission Owners and the market at the same time, there is an opportunity for NESO to consider how Transmission Owner insights could be incorporated ahead of publishing requirements. For example, looking beyond the tender target date to understand how future network developments may influence requirements.

We would also encourage NESO to consider how multiple processes and network development drivers interact and impact the delivery of network services. For example, network services and the connections process operate at different cadences, but may both seek to utilise the same assets, such as substation bays.

SSE welcomes the opportunity, through the Centralised Strategic Network Plan (CSNP) annual operability assessment, to share independent analysis. Greater coordination and insight sharing ahead of network service tenders would support more efficient network utilisation and contribute to improved consumer outcomes.

Performance Objective 6: Secure and Resilient Energy Systems

NESO's performance against the Secure and Resilient Energy Systems objective meets expectations, while recognising that further improvement is required in specific areas.

During BP3, NESO delivered key resilience deliverables, including the Industry Readiness and Preparedness Reports (Summer 2025 and Winter 2025/26), the first Emergency Process Assessment, Risk and Threat Advice, and the Energy Resilience Assessment. These provide a strong foundation for assessing system resilience. NESO also improved assurance proportionality by streamlining the Industry Preparedness Reports, reducing burden while maintaining their value.

NESO has demonstrated responsiveness to industry feedback, adopting an iterative, learning-led approach to resilience assurance rather than a static compliance-based model. Its assessments have been used effectively to identify system weaknesses and drive improvements, notably through the North Hyde report, where recommendations are being progressed via Energy Task Groups, alongside follow-on actions from preparedness surveys and the Emergency Process Assessment. These have helped clarify roles, processes and escalation routes, supporting tangible improvements.

NESO's resilience capability continues to mature, which is expected given the scope of its remit. Progress during BP3 shows a positive trajectory, with greater clarity of intent and delivery. This has improved system-wide visibility of risks and interdependencies, supporting more coordinated engagement across industry, government and regulators, including alignment with the GB Energy Resilience Strategy. NESO's Resource Adequacy in the 2030s report further strengthens this by identifying risks such as weather-driven stress events, while highlighting the role of diverse technologies and clear investment signals.

Stakeholder engagement has generally met expectations, particularly earlier in BP3, with regular communication supporting effective collaboration. However, engagement became less consistent later in the period, reducing coordination in some areas, most notably Electricity System Restoration documentation. While progress continued, more consistent engagement would have supported better continuity and efficiency.

There is also an opportunity to strengthen coordination between distribution and transmission stakeholders. Earlier and greater inclusion of Transmission Owners in DNO/DSO discussions would improve alignment, particularly as increasing distributed energy drives greater interdependency. Enhancing engagement here would support more integrated operational and resilience outcomes across both business-as-usual and outage scenarios.

Overall, NESO has established a strong foundation in resilience during BP3, but continued improvements in engagement consistency and cross-sector coordination will be important to fully realise the intent of this objective.

Performance Objective 7: Clean Power 2030 Implementation

SSE acknowledges NESO's active engagement in system access reform, including implementation of the Clean Power by 2030 (CP30) programme, with a clear focus on ensuring sufficient and efficient access to networks across Great Britain.

NESO's performance against this objective is strong and meets expectations. Engagement has been consistent and constructive, supported by a clear focus on developing reforms that are both practical and deliverable. The programme is well structured, with workstreams covering the Transmission Acceleration Project, System Network Access, and end-to-end process development.

There is regular and effective programme management engagement, including weekly interactions with a strong focus on actions and delivery. The initial workstreams are already producing tangible outputs and reports, demonstrating positive progress, and SSEN Transmission encourages NESO to continue building on this momentum.

Nevertheless, there is still some room for improvement, particularly in the clarity on how CP30 interacts with other policy frameworks, such as SSEP. This makes it more difficult for SSEN Transmission to engage fully with 2030 targets, as future SSEP outputs may change these and affect the project pipeline. Currently, CP30 targets are lower than SSEN Transmission's existing pipeline, creating uncertainty over which projects will progress, particularly as the scale of any future SSEP changes remains unclear.

Performance Objective 8: Separated NESO Systems, Processes and Services

NESO has met expectations against the objective relating to the separation of systems, processes and services from National Grid during BP3. Progress has been evident in advancing organisational and system separation, including positive developments in control centre arrangements and SCADA-related projects.

NESO is increasingly operating as a distinct entity, with clearer functional independence emerging over the period. While some systems (such as Microsoft platforms) remain shared, the overall direction of travel is positive and consistent with the intent of the objective.

NESO's role and status as an independent organisation are well understood within operational teams, and NESO representatives continue to operate effectively in this context, consistently meeting expectations.