Introduction to Strategic Planning
March 2024
In October 2023 the Energy Act set the legislative framework for NESO as an organisation at the heart of the energy sector.

- **Apr 2022**: DESNZ and Ofgem decision to create NESO
- **Oct 2023**: Energy Act sets up NESO in legislation
- **Summer 2024**: Day 1 of NESO

**NESO**

NESO will have responsibilities around delivering a net zero energy system that balances sustainability with affordability and security.

- Independent
- Whole System
- Serving GB
NESO is set up as a public corporation independent from industry and Government.
NESO will deliver significant additional value to society from Day 1.
Let’s focus on our role in whole energy strategic planning.

We will coordinate system design and planning efforts across the whole energy industry so planning and investment decisions can be optimised to deliver GB’s net zero objectives at the lowest sustainable cost to consumers.

NESO is well-placed to take this on thanks to
The ESO’s world-leading strategic planning efforts for the electricity network

And we’re building our skills in
Cross-vector technical expertise and capability
Whole system mindset and approach
As the Strategic Energy Planner, NESO will act independently of asset owners across three overarching roles.

**Centralised Strategic Network Planning**
- Scope includes all networked energy
- Electricity and hydrogen systems completely co-dependent
- Consideration of liquid fuels
- Transmission, onshore, offshore
- Electricity: generation & location, wires, batteries
- Gas planning: independent view of pipeline system
- Hydrogen: electrolysis & location

**Strategic Spatial Energy Planning**
- Vectors in scope include electricity, hydrogen and gas
- Supply, demand and high-level network needs co-optimised
- Capacities, locations & timings
- Government inputs & endorsed by Government and Ofgem
- Strategic Environmental Assessment
- Status in planning
- Full ambition but focusing only on electricity and hydrogen, and only on large supply and demand

**Regional Energy Strategic Planning**
- 10-13 regional energy plans across all energy vectors developed with local stakeholders
- Plans inform distribution network price controls
- Regional plans join up local energy plans with national plans
- Detailed design for RESP is taking place in 2024 and there is no day 1 capability.

**Strategic Energy Planning** - governance and control

Coordinated data and assumptions
The SSEP, CSNP and RESP will come online progressively, so NESO can ultimately coordinate design and planning efforts across whole energy.
Here’s what you can expect between now and Day 1.

- **November 23**: Royal Assent for Energy Bill
- **December 23**: Operational separation
- **January 24**: SSEP commissioned, Transitional CSNP published
- **February 24**: Confirmation NESO is taking on roles in SSEP and RESP
- **March 24**: SSEP commissioned
- **April 24**: Transitional CSNP published
- **May 24**: Ofgem RESP consultation
- **June 24**: Licence and codes go live

**DAY 1**

- Licence and codes go live
- confirmation of NESO taking on roles in SSEP and RESP
We want to hear your thoughts!

Establishing NESO is a huge challenge so we can’t do this alone. We need your support to make NESO the success we all want it to be.

What does this mean for you?

| Strategic Spatial Energy Planning | Our engagement on the SSEP and its public consultation will reach a wide range of stakeholders, including the energy industry, transmission owners, environmental representatives and the public and their representatives. |
| Centralised Strategic Network Planning | We will need to work in close partnership with Transmission Owners and alternative providers of solutions, and with communities on the local and environmental impact of options. |
| Regional Energy Strategic Planning | We will need to work closely with GDNs, DNOs, Industry and Local Government in setting up and implementing the new RESP capability. |

Becoming the National Energy System Operator (NESO) | ESO (nationalgrideso.com)
Email enquiries: box.fso@nationalgrideso.com
Organisational Roadmap coming soon
Thank you for joining