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HOW NESO INFLUENCE REGULATORY CHANGE

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1 PURPOSE

This paper aims to provide an overview of the role of the National Energy System Operator (NESO) in respect of the Retail Energy Code, with a specific focus on Code processes. This paper is to accompany a presentation given by Michelle Niits, the Gas Market Change Manager at NESO.

2 BACKGROUND

The National Energy System Operator (NESO) is a publicly owned, operationally independent body responsible for overseeing and strategically planning the UK's electricity and gas systems. Established under the 2023 Energy Act, NESO plays a central role in driving the transition to net zero by ensuring the energy system remains secure, efficient, and cost-effective. It manages real-time electricity operations, develops and reforms energy markets, and leads long-term network planning across multiple energy vectors including gas, hydrogen, and electricity. NESO fosters competitive and coordinated market environments to unlock low-carbon flexibility, reduce consumer costs, and stimulate innovation. It also provides expert advice to government and regulators, ensuring transparency and accountability through a robust regulatory framework overseen by Ofgem.

Michelle Niits (NESO Gas Market Change Manager) will appear at the October Change Issues Group meeting as a guest speaker, and will provide an in-person update on the role of NESO, and how they may interact with the REC, and the Change Process specifically.

3 NEXT STEPS

- NESO will continue to engage with the REC Change Process, and the REC Change Issues Group, on an ongoing basis.
- CHIG members do not need to take any action as a result of this paper.