

A photograph of a dirt path winding through a forest. The path is covered with fallen leaves and is flanked by a dense carpet of purple and white bluebell flowers. Large, mature trees with thick trunks and lush green foliage surround the path, creating a canopy overhead. Sunlight filters through the leaves, casting dappled shadows on the ground.

Introduction to Market Development

March 2024



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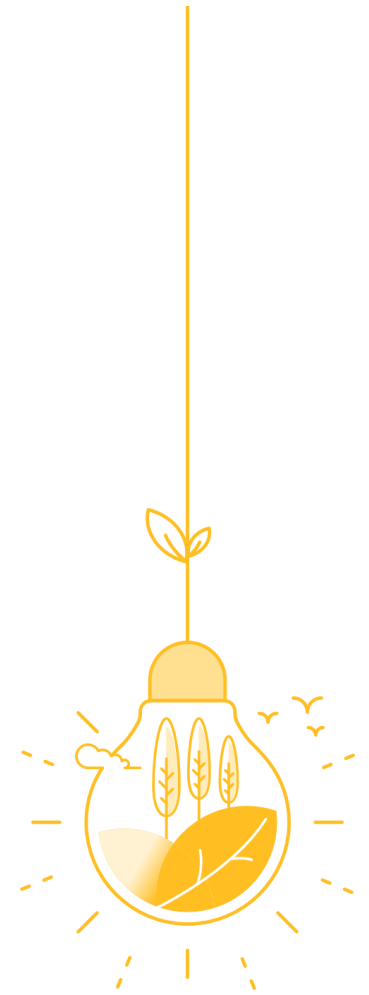


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In October 2023 the Energy Act set the legislative framework for NESO as an organisation at the heart of the energy sector.



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 the new responsibilities NESO is taking on in the development of whole energy markets.



NESO drives...

the evolution of market arrangements across the whole energy system

...to facilitate security of energy supply and deliver investible markets at the most equitable cost for consumers.



Net Zero



Energy Security



Energy Affordability

Our Market Development activities in electricity

Our objective: Transforming electricity markets to enable zero carbon operability from 2025 and set us on the trajectory for full decarbonisation by 2035.

Strategy

Our **Net Zero Market Reform programme** sets out a long-term vision for markets and policy with achievable pathways.

A dual role, we deliver advisory for wider markets and policy through our role in **REMA**, while setting the direction for how we develop and operate our own balancing markets.

Development

Our **Markets Roadmap** sets out the “what and why” for balancing services market reform and knits together our short- and long-term strategy.

Operation

Market monitoring and assessment of market efficiency, to protect consumers, drive continuous improvement and inform long-term strategy.



Working as an independent trusted advisor to government and the regulator

What we currently do in electricity.

Our objective: Transforming electricity markets to enable zero carbon operability from 2025 and set us on the trajectory for full decarbonisation by 2035.



What we will do in gas.

Our objective: To develop and coordinate gas market engagement and drive action on gas market strategy towards net zero.

Strategy

Our Gas Market Strategy Team will work with gas stakeholders to **develop the Gas Markets Plan**. This will set out the actions, projects and plans needed to **transition the market** and industry arrangements for gas based on potential future scenarios for a **decarbonised energy system**.

Development

Work with industry participants to **improve interactions, policies, develop projects that enable the energy transition** and become a UNC signatory.

Operation

National Gas Transmission operate the Gas Transmission network. We will work closely with all industry participants to support the efficient operation of the gas markets.

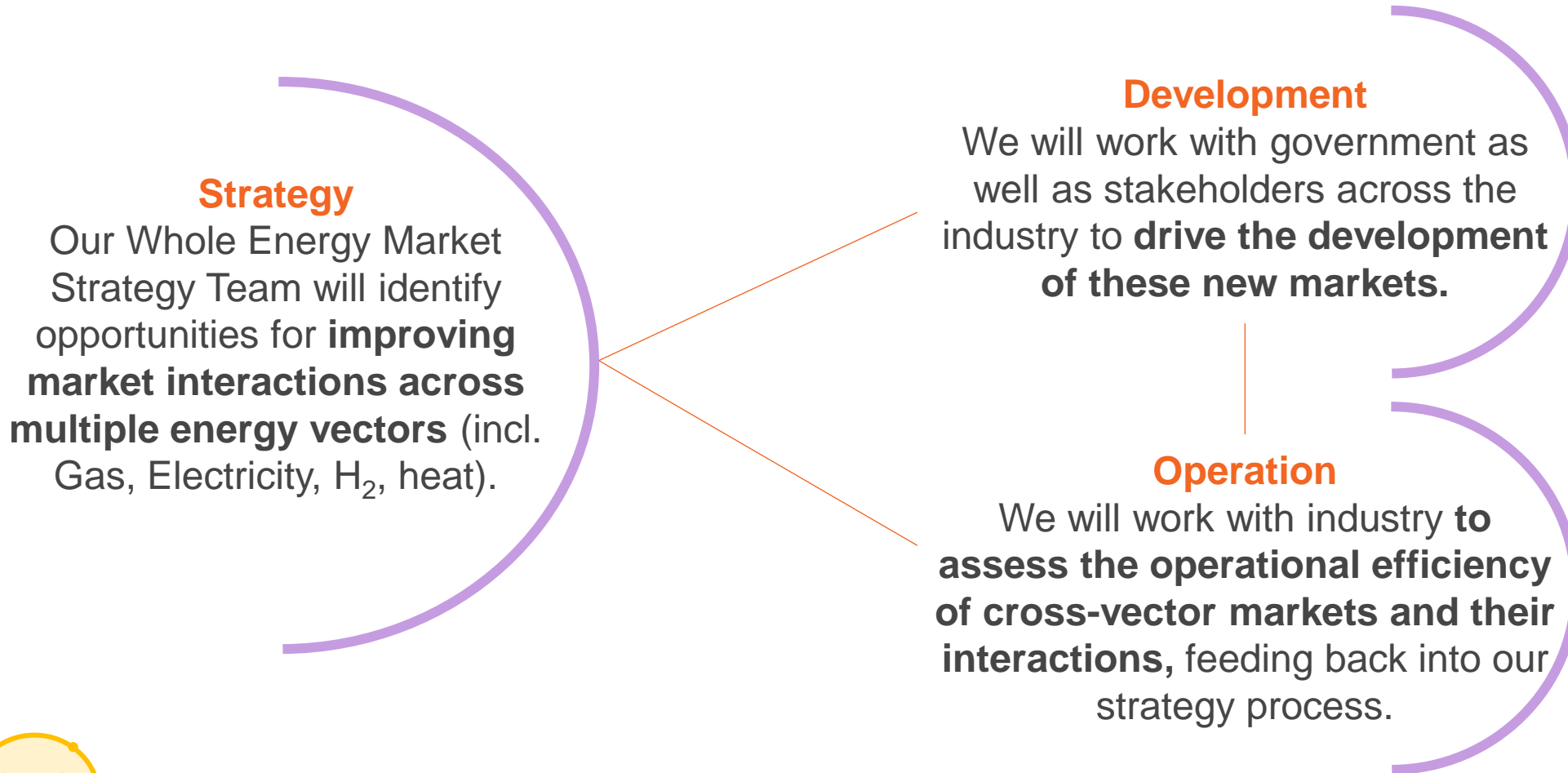


Working as an independent trusted advisor to government and the regulator



What we will do in Whole Energy Market Strategy.

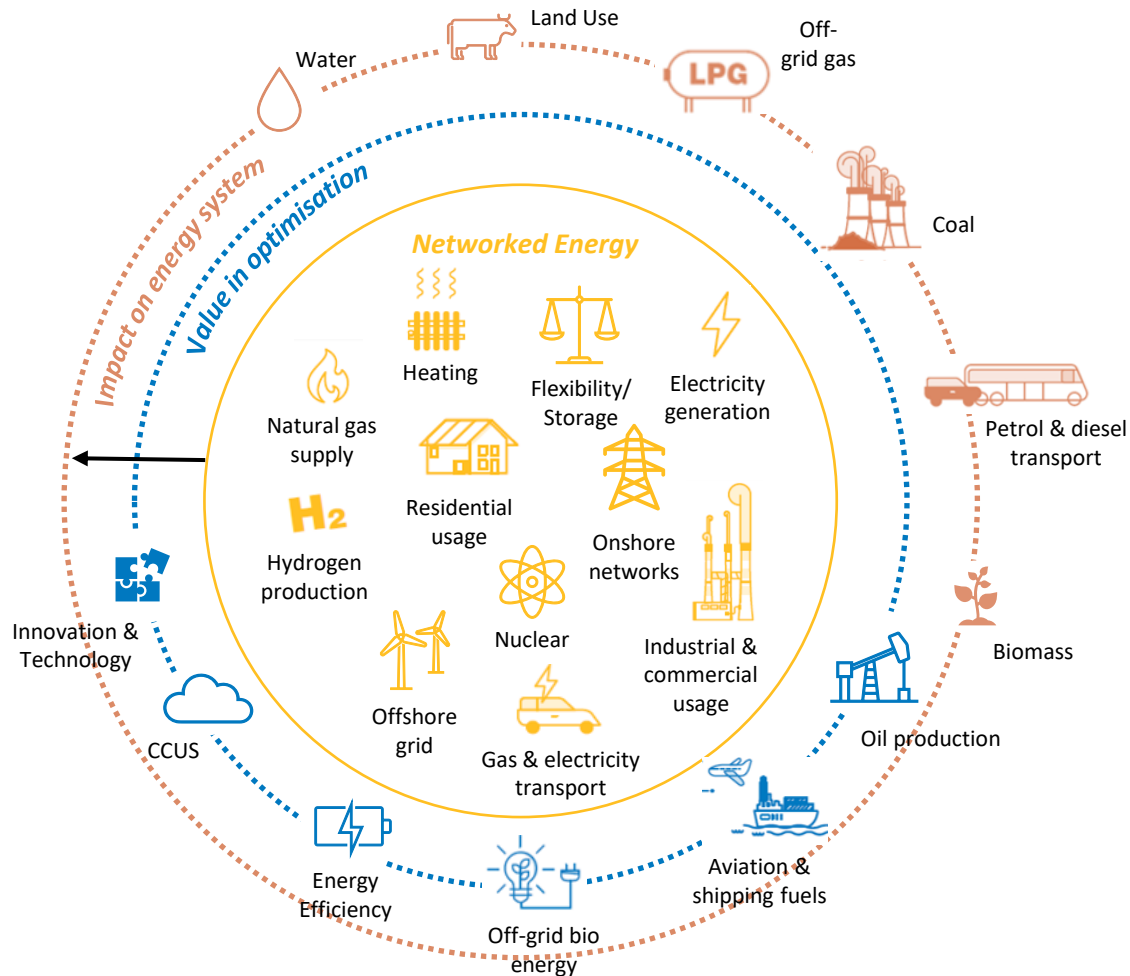
Our objective: Informed by extensive stakeholder engagement, we will develop independent recommendations for cross-vector market and policy design, which promote efficiency and address any distortive interactions.



Working as an independent trusted advisor to government and the regulator



Developing a Whole Energy Market Strategy



NESO Whole Energy Market Strategy

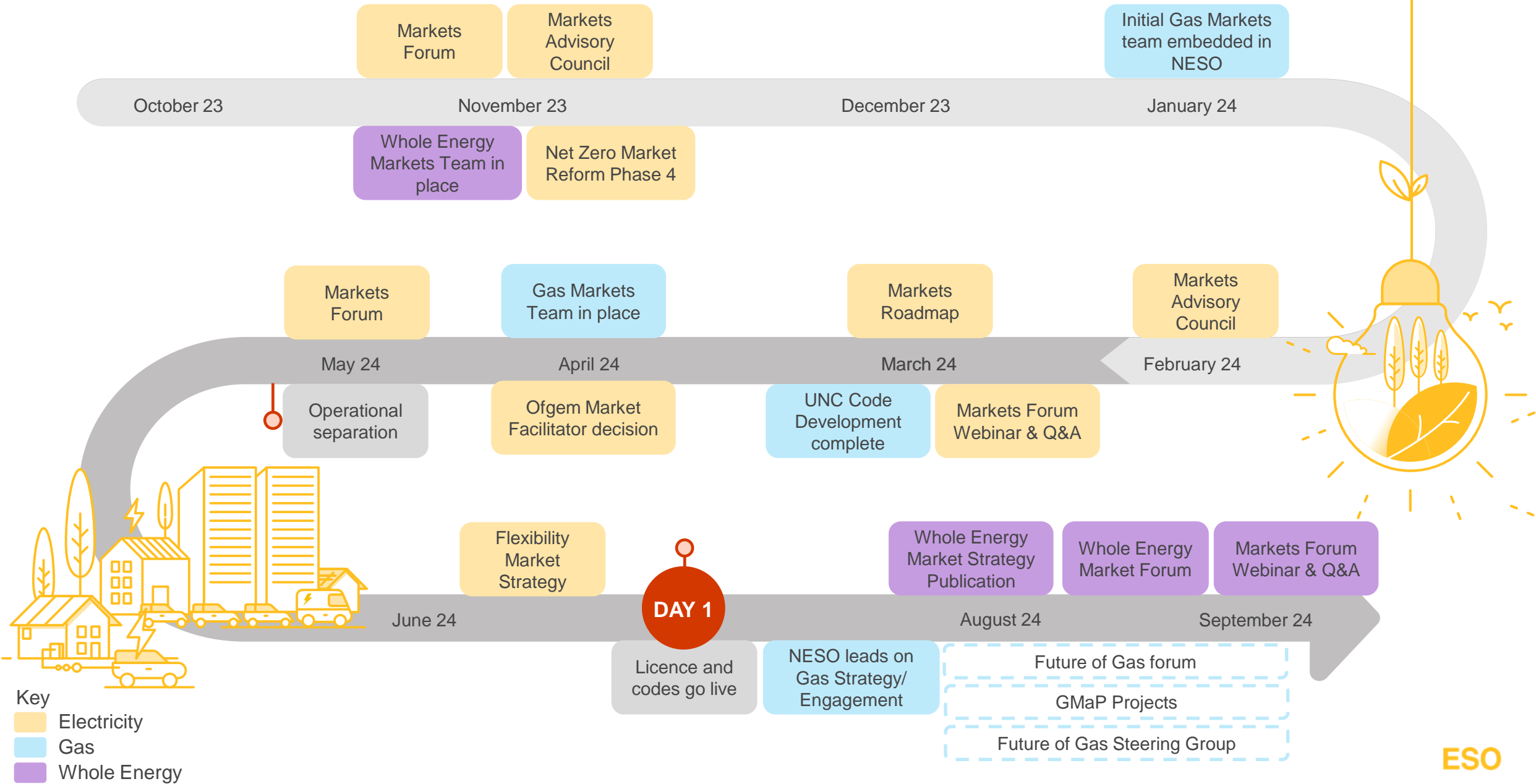
Assessment of Great Britain's **whole energy market mechanisms**, focusing on vector interactions, with the big questions in mind:

- How to attract the huge investment required to achieve Net Zero?
- How to ensure energy reliability and security?
- How to deliver an efficient, coordinated and economical zero carbon energy system?
- How to ensure a fair and affordable system for all?
- How to stay competitive in global markets?

How we do it:

- Multi-phased study (2024-2026) starting with analysing Whole Energy Markets at global, national & regional levels
- Collaborative approach with stakeholders
- Learn from comparable markets
- Recommend implementable market design
- Phase 1: case for change, 6 months duration

Key milestones as we build our capability to deliver these roles.



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?

Gas Market Strategy

We are seeking views on the new direction of the **Future of Gas Steering Group** and future **Gas Market Plan (GMaP)** and projects, inviting input from **gas market participants** across the **energy industry, gas network operators, shippers, storage owners etc.**

Electricity Market Strategy

We will continue to work in close partnership with a **wide range of stakeholders across the electricity industry** via the **Markets Forum** and as a trusted delivery partner to **Ofgem and DESNZ** in the **Review of Electricity Market Arrangements (REMA)**.

Whole Energy Market Strategy

We will work closely with both the **energy industry** and **wider industrial stakeholders** to co-create high quality analysis and insights on cross-vector market interactions. We will foster collaboration via the transformation of existing separate market forums into a unified **Whole Energy Market Forum**.



[Becoming the National Energy System Operator \(NESO\) | ESO \(nationalgrideso.com\)](#)

[Markets Forum events | ESO \(nationalgrideso.com\)](#)

[Email enquiries: box.fso@nationalgrideso.com](mailto:box.fso@nationalgrideso.com)

Organisational Roadmap coming soon

Thank you for joining

