

## Reference

Consultation on Associated Documents to the proposed NESO licences – regulatory framework documents

**Date :** 1<sup>st</sup> July 2024

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## Ofgem

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## By Email:

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## Consultation on Associated Documents to the proposed NESO licences – regulatory framework documents

Thank you for the opportunity to respond and comment on the Associated Documents to be established under the proposed NESO licences. This response is made on behalf of Cadent and can be published by Ofgem and DESNZ.

We note that this consultation is focused on the Day 1 responsibilities and look forward for further detail of the enduring approaches and the opportunity to feedback and comment on those.

We have reviewed the documents and have the following comments:

- We think there is a need for greater clarity on what is meant by the use of the terms “transmission” and “energy”. It is not always clear in the documents when only electricity, and when both electricity and gas, are referenced. Transmission will need an additional clarification in relation to hydrogen systems. Any definition based on NTS ownership is not an appropriate way to define transmission as in the case of hydrogen networks this will not be NTS, with other Gas Transporters likely to own and operate ‘Transmission’ pipelines.

It should be noted that with methane, there is a much greater extent of transmission pipelines owned and operated by the Gas Distribution Networks than NTS.

- It is notable in the documents that the focus on Day 1 is electricity, which is as expected. However, the CSNP has been built around electricity which is unlikely to be fit for purpose for direct application to the gas sector. In order for a well-balanced whole system approach to be established a robust process is required to ensure that gas planning is equally prioritised. Otherwise, there is a danger that an electricity solution is imposed on methane and hydrogen which would not lead to the most efficient and appropriate whole system solutions. Therefore, we

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maintain that it is imperative that future consultation includes gas planning and recognises and respects the differences.

- We are pleased to see that stakeholder engagement is a priority, but it is important to ensure there is demonstrable evidence of how feedback and consultation has been factored into decision making and policy, as a clear performance measure for the NESO. Showing that the NESO has listened and acted is just as important as the quantity and quality of engagement events.

We continue to be fully supportive and active champions of the NESO and its objectives and look forward to continued engagement with its representatives.

Yours sincerely

Stuart Easterbrook  
Head of Net Zero Energy Frameworks, Cadent