

Enterprise Portfolio Management Office
Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London
E14 4PU

7 February 2025

Dear Enterprise Management Team,

FORWARD WORK PROGRAMME – 2025/26

Thank you for the opportunity to respond to your consultation on Ofgem's draft Forward Work Programme for 2025/26. We support the Work Programme's drive to help deliver the Clean Power 2030 mission. Xoserve believe the gas market can play a critical role in the energy transition and this is being increasingly recognised by others. Indeed, meeting net zero targets and ensuring a fair and flexible energy system for consumers, will require the support and collaboration of all market participants across the energy sector.

Xoserve is committed to providing such support and can make a significant contribution given the breadth of services that we deliver and the privileged position we hold as the gas industry's Central Data Service Provider (CDSP), a not-for-profit role at the heart of Britain's commercial gas market. As the CDSP we hold the register of details about the nation's gas supply, including information on who supplies an address, meter reading history and daily national consumption covering all c.24 million gas meters.

We provide services to gas suppliers, shippers, and transporters, helping Britain's gas market to run efficiently and reliably. We process information about gas flows across the entire network to ensure National Gas can maintain system balance between supply and demand, and to ensure gas distribution networks invoice the shipping community accurately for carrying gas to premises. We also manage the processes around the appointment and activation of the Supplier of Last Resort should they be required.

The Forward Work Programme highlights some strategic priorities for the gas sector, and we believe we can make important contributions to these. Below we provide a description of some of our activities that we believe are relevant to each of your priorities.

Strategic Priority 1: Shaping a retail market that works for consumers

We were pleased to see a specific focus on debt and affordability. Your aims to address consumer debt that built up over the energy crisis, and support Government to better target support at those struggling with their energy bills is something Xoserve support. As the CDSP we hold data on gas consumption across all the UK's gas meters and can therefore help identify vulnerable households. Our aspirations are to provide data infrastructure which combines multiple data sources, consumption, income and housing tenure to support suppliers target support. Furthermore, we hold customer details on the Priority Service Register and are an active member of the Safeguarding Customer Workgroup which looks to develop solutions to support those most in need.

Strategic Priority 2: Enabling infrastructure for net zero at pace

We support your priority to deliver net zero at pace and were pleased to see you intend to publish final determinations on the RIIO-3 price controls this financial year.

Xoserve is helping to drive key initiatives to integrate decarbonisation technologies into the gas network, this includes hydrogen pilots, such as H100, and low-carbon trials, such as Girvan's biomethane injection in Scotland. These projects align with the UK's net-zero goals, ensuring the gas network can support emerging technologies and inform future system requirements. We will be looking at the progress of RIIO-3 with interest, to ensure that funding is there to support innovation and decarbonisation projects such as these.

We have also been active in working with stakeholders to identify and discuss issues which may be associated with the decline in usage of the gas network and/or its reuse for conveying hydrogen or other uses.

Furthermore, we are defining the system requirements for hydrogen infrastructure, gas network modifications for blended gases, and other decarbonisation technologies. This work includes planning UK Link adaptations to accommodate diverse gas mixes, with the Real-Time Settlement Methodology (RTSM) as a key project supported by all gas distribution networks.

Strategic Priority 3: Establishing an efficient, fair and flexible energy system

Your Work Programme highlights an aim to reform the retail market to support the Clean Power 2030 targets for flexible demand. As highlighted in the Clean Power 2030 mission, the majority of the 40-50GW of flexible capacity in 2030 is expected to come from gas, and Xoserve is keen to help enable this flexibility. The data we hold on capacity load, supply and demand, can help ensure flexibility in the electricity market, which is particularly important during seasonal demand peaks and longer periods of low renewable output (such as 'Dunkelflaute' conditions).

We support the various actions highlighted in your workplan regarding the need to protect consumers whilst improving efficiency and flexibility such as through smart meters and new tariffs. This will rely on data sharing, which Xoserve already does with stakeholders across various platforms. For example, we provide access to stakeholders to data held on our systems, subject to eligibility, via the Data Services Contract to industry parties or

through the Gas Enquiry Service (GES) to innovators to help evolve the market model, which in some instances includes participants in the flexibility model. We continue to expand our reach working with central bodies to share data as an enabler, combining gas data with electricity data.

We hope that you find our comments of interest and look forward to on-going engagement with Ofgem and other stakeholders as to how we may develop this work to further support the delivery of Ofgem's Forward Work Programme.

Kind regards

A handwritten signature in black ink, appearing to read 'Clive Nicholas', written in a cursive style.

Clive Nicholas
Director of Strategy and Development