



Independent Stakeholder Group Report

2025



1. Introduction

The new National Gas Transmission Independent Stakeholder Group (ISG) was set up in November 2023. In March 2024, Ofgem published its RIIO-3 Business Plan Guidance which mandated the requirement for all companies to establish an ISG in order to provide challenge and scrutiny to the company both as it developed its business plan and on an enduring basis in the ongoing delivery of the plan. The final version of the guidance was published on 30 September 2024¹. In its first meeting in 2023 the group worked jointly with National Gas to develop and produce an ISG framework for delivering on their purpose and maximising their impact. The same process was undertaken at the end of 2024, further details of the Framework is contained in Section 3 of this report.

This report details the presentations, activities and feedback of the group over the four meetings that it held in 2025.

2. ISG Purpose

The ISG's purpose is defined within three areas of focus:

- i. To scrutinise and challenge the company business plan
- ii. To monitor and review the delivery of these plans, taking into account local and regional consumer and network user priorities
- iii. To review and challenge the approach to stakeholder engagement at all stages

These areas of focus are underpinned by a number of objectives:

1. Add value
2. Maintain independence and ensure transparency
3. Challenge constructively and provide specific feedback
4. Bring a diversity of views
5. Focus on outcomes
6. Constantly seek to improve how we do things

¹ [RIIO-3 Business Plan Guidance](#)



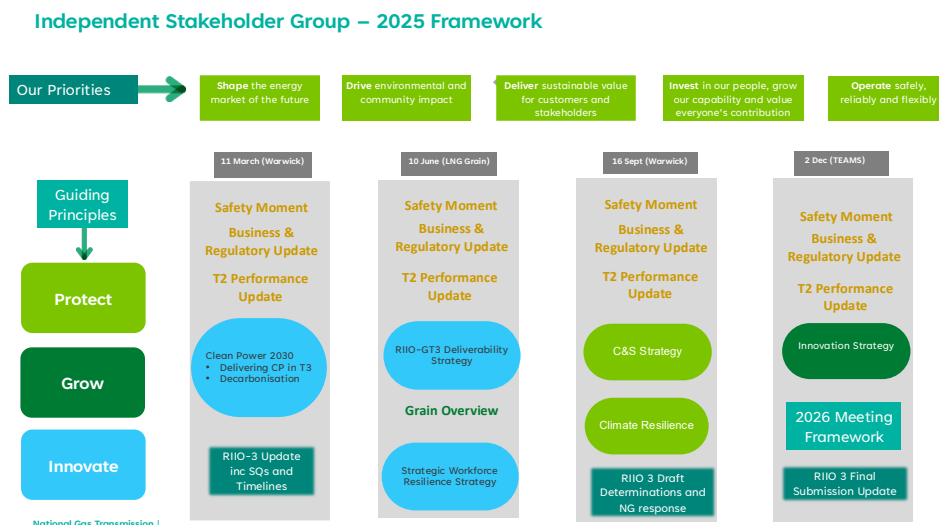
Figure 1: ISG Members 2025



3. The ISG Framework

As was the process in 2023, National Gas presented a list of key topics in the final meeting of 2024 as a suggestion to create a framework for the forthcoming year. The previously agreed structure of quarterly meetings was set for the year and agenda topics planned in accordance with this structure after discussions on what the group would be interested in hearing about, and could provide challenge and review on for the benefit of the company, its stakeholders and the wider industry. In addition, it was agreed that National Gas would organise 1 meeting per year at a gas facility site to give the group an opportunity to visit and learn more about the gas transmission process. The June meeting was held at Grain LNG kindly hosted by one of the ISG members, Simon Culkin – Managing Director of Grain LNG.

Figure 2: ISG Framework 2025





4. Clean Power 2030

4.1 Summary of Presentation

At its first meeting of 2025, the ISG were presented with an overview and the key activities for Clean Power 2030 (CP2030).

Clean Power 2030 is defined as:

“By 2030, clean sources produce at least as much power as Great Britain consumes in total and unabated gas should provide less than 5% of Great Britain’s generation in a typical weather year”.

In December 2024 the Government directed National Gas to support Mission Control and since then, sessions have taken place and are scheduled throughout the year on Natural Gas and Hydrogen key projects.

National Gas provided some key information on stakeholder engagement activities in relation to CP2030. The overall process for stakeholder engagement is one of validation, shaping and advocacy and this is an ongoing activity through to and beyond 2030. There has been significant engagement with Power Stations on their plans for CP2030 and decarbonisation post 2030, with some considering CCUS alongside hydrogen where there are multiple units on site.

National Gas provided information on some of the key activities that had taken place up to the ISG meeting in March 2025, in particular:

- NESO CP2030 Report published
- Mission Control response
- GSO Clean Power Assessment
- Stakeholder engagement with numerous parties including DESNZ, Government, NESO, Power Stations and other industry players

1.2 ISG Feedback

The ISG sought further detail on the extent and impact of the stakeholder engagement. It was noted that there is broad engagement which is ongoing and there are regular meetings and forums. Over 40 power stations have been engaged with so far on their plans for CP2030 and decarbonisation post 2030. There are deep dive webinars on molecules and customer 1-2-1s, alongside the engagement with Mission Control on the next steps.

The group felt that further information on this to demonstrate the impact would assist them in their understanding of how thorough the engagement had been and it was agreed to follow up at a future meeting on this.

The group considered the perceived lack of interest in biofuels and it was noted that hydrogen and CCUS are the preferred approach due to the process and opportunities. Blending is also being considered by power stations as an alternative early option.

The ISG considered Community Benefit Schemes and it was noted that options such as paying local communities by way of money off their bills, or funding the local transition to Net Zero had been considered by the industry. National Gas carry out a lot of work with communities during construction projects to support and engage with them.



5. Customer and Stakeholder Strategy

5.1 Summary of Presentation

In the third meeting of 2025, National Gas informed the group of the series of engagements that had taken place following publication of the RIIO-GT3 Plan and Draft Determinations, what feedback had been received and subsequent actions taken as a result. This covered the period from November 2024 to September 2025. The topics covered and specific stakeholders engaged were shared with the group as well as how they were engaged with (workshops, 1-2-1's, webinars) and what the reaction had been to the Business Plan and the Commitments.

Overall, positive feedback was received on the accessibility and navigability of the plan and stakeholders welcomed the suite of Commitments. Both customers and stakeholders generally supported the low-regrets investments in readiness to transport alternative gases, noting that customers have varying views on pathways to decarbonisation. Customers and stakeholders were appreciative of the value that the plan brings to consumers and its contribution to economic growth and local job creation.

A number of queries were raised from stakeholders, such as how the plan interacts with Clean Power 2030, how hydrogen and Carbon Capture Utilisation and Storage (CCUS) are incorporated into the plan and what the interactions with NESO and Ofgem look like during RIIO-GT3. These points were addressed in the subsequent engagements, and conversations will continue between National Gas and Ofgem.

A deep dive on the ScO₂T Project was presented to this group. This is one of the CCUS Projects and provides the onshore CO₂ transport infrastructure to connect The Acorn Project with industrial businesses in the Scottish Cluster, one of Government's four industrial clusters tasked with establishing a CO₂ market in the UK. There are 3 main objectives for the project:

- Delivering a means for some of the country's largest industrials to decarbonise their operations cost-effectively to maintain their competitiveness.
- Minimising disruption and cost of the transition for existing gas users by maximising the repurposing of existing assets with no direct user connection.
- Enabling the production of clean hydrogen through steam reforming, thus promoting the development of a hydrogen economy.

The project has been progressing at pace since August 2022 and there has been collaboration with customers to obtain technical and commercial insights. The benefit for methane consumers was explained to the group, namely lower overall cost and faster speed for enabling the energy transition.

1.2 ISG Feedback

The ISG suggested National Gas to increase their collaboration with Electricity Transmission and to investigate potential workgroups that are already in existence that they can utilise. The group discussed how best National Gas can support whole system ways of working and encourage collaboration across the energy sector, going further than gas and electricity. It was acknowledged that discussions are taking place on how to expedite the connections process which will have benefits for customers and stakeholders alike, and ultimately consumers.



6. Transformation

6.1 Summary of Presentation

In the June meeting, the Head of Transformation for National Gas talked through the changes that the company is currently undertaking as part of its Building for Growth (BfG) Programme. This came about for a variety of reasons and seeks to address some challenges that have been faced in recent times. There are a number of strategic objectives that this change seeks to achieve, including stronger performance, enhanced delivery of workload in RIIO-GT3 and improvements for the workforce including utilising local workforce, whilst maintaining the safety and integrity of the workforce.

The ISG was provided with the timeline for implementation of the programme, with all roles planned to be in place by the end of 2025.

1.2 ISG Feedback

The ISG sought more information on key risks and how that had been identified and managed. The level of stakeholder engagement that had taken place was scrutinised by the group and National Gas informed them of the stakeholder engagement that had taken place and was planned to take place during the change. It was noted that Ofgem have been kept informed throughout the programme and that a HSE Impact Assessment had been carried out which had not identified any adverse impacts. A HSE Assurance process will take place in January 2026.

7. People

7.1 Summary of Presentation

National Gas' Chief People Officer presented an update in the June meeting on the current status of the workforce and presented some statistics to the group in terms of the current demographic. The group were informed of positive shifts in the average age of the workforce, and in gender and diversity percentages. There has been a significant amount of work on culture and engagement within the workforce and the ISG were presented with examples on how Learning and Development is a key priority for the business in looking after its workforce. There are numerous opportunities for the workforce to express their views and there are procedures in place to ensure that these views are listened to and action is taken.

Whilst there have been some significant positive outcomes and changes, there have been challenges, and National Gas informed the group on what some of these challenges have been and how they have been overcome. There are commitments in RIIO-GT3 to ensure that National Gas attracts a diverse range of people and continues to be a positive place to work for its employees.

A deep dive on Early Careers Attraction was presented to the group. The strategy for this is:

1. Raise the profile of Early Careers
2. Build trust with stakeholders and improve perception
3. Improve the quality of the selection process with a focus on EDI
4. Have an attraction strategy with informative, fun & engaging content
5. Human Centred approach



To achieve this strategy, there have been a number of campaigns including social media, careers fairs, strategic partnerships, reaching out to schools and changing the way in which the job application process is undertaken in order to attract a more diverse range of talent. The ISG were presented with some statistics and information on the recruitment process, from start to finish and how new initiatives have changed the way in which people are recruited and have a positive experience.

7.2 ISG Feedback

The ISG were appreciative of the information shared and the steps that have been taken in this area. The group felt that the efforts taken in recruitment were positive and were having good results, and that the improvements in some of the key statistics, particularly around diversity of its workforce, were encouraging. It was noted that making people feel valued and appreciated can have multiple benefits for the employees, as well as helping to drive a successful and effective business.

8. Climate Resilience

8.1 Summary of Presentation

In September, National Gas updated the group on the latest work on climate resilience, in response to the changing climate and warmer, wetter weather. The ongoing challenge around preparing the network to make it more resilient to climate change, in order to ensure that there is a continued security of supply to customers, is presenting some challenges that the company are resolving to overcome. There are a number of significant climate risks that can affect gas infrastructure:

- Raised Temperatures
- Erosion
- Flooding
- Ground Movement
- Wind Damage
- Vegetation Growth
- Lightning

National Gas's Climate Resilience Strategy submitted in the RIIO-GT3 Business Plan sets out the holistic approach toward maintaining an appropriate level of climate resilience to these risks for the current methane network.

In terms of stakeholder engagement, a Climate Resilience Workshop was held in September 2024 on the lead up to submission of the plan. A number of attendees including Ofgem, DESNZ, Gas and Electricity Distribution Networks and academia. This established how National Gas Transmission prioritises investments in climate resilience and that its strategy is consistent with that of attending networks. There was feedback from this workshop to suggest that the company could collaborate more with global TSOs in differing climates and discussions around data driven investments. National Gas advised that there is continued stakeholder engagement particularly around how best to collaborate within the industry and beyond.



The group were presented with the key challenges facing National Gas in developing long-term intervention plans:

- Lack of a Climate Resilience Standard and metrics (to quantify and compare benefits of adaptation intervention options) for the energy sector.
- Lack of historic data on the impact of climate hazards on National Gas assets and services.
- Lack of attribution of the role of climate hazards on asset failure.

A balanced approach of both short-term and medium to long-term activities is being taken to further understand the challenges and subsequent risks, as well as delivering the actions that are required to overcome these challenges. The Climate Resilience Commitment as outlined in the Business Plan is being delivered through a variety of mechanisms. The approach towards adapting to the impacts of climate change and the plan for future resilience is captured within the Climate Resilience Strategy, which outlines a balanced approach with a mix of reactive and proactive actions within RIIO-GT3 and beyond. During RIIO-GT3, the objective is to gather better data-driven insights into the potential impacts of climate change on the network resilience through surveys and studies, enabling National Gas to implement targeted, efficient, and well-justified proactive responses. The proposed investment plans have been developed and assessed against the eight climate hazards put forward within the ARP4 submission to Defra. As a result of engagement (taking guidance from Electricity North West Limited's initiatives in response to flooding), National Gas will be increasing their focus on an initiative to review and update their policies, procedures, engineering standards and other documentation as relevant.

Specifically in the RIIO-GT3 plan, there is provision for climate change impact studies across National Gas's critical sites, aiming at site-specific quantification of risks posed by the hazards of flooding and temperature extremes. These studies will be more bespoke and exhaustive than RIIO-T2 as the risks continue to grow.

With improved insights into the potential impacts of climate change on the resilience of the network, National Gas will be able to take a fundamental step towards building a data-driven, evidence-based approach to undertaking climate adaptation and enabling a climate resilient energy network. These insights and evidence will enable the company to build targeted, efficient, and well-justified proactive responses.

For RIIO-GT3, the aim is to go further by proactively expanding the understanding of potential hazards through comprehensive surveys, thus being able to identify and mitigate threats before they materialise and thereby reduce costs.

By working with stakeholders and collaborating with competent authorities, academia and other sectors, National Gas can share and receive knowledge and best practice on climate change adaption, ultimately reducing costs for consumers.

In addition to the collaborations engagement mentioned above, National Gas will work closely with stakeholders, especially with the Ofgem-supported ENA Climate Change Resilience Working Group (CCRWG), in undertaking scenario planning to identify the possible risks and impacts of climate change.

Next steps:

A project by the name of CReDO+² is being developed by UKPN in collaboration with organisations across the utility sector. Primarily, it is a digital twin platform to enhance infrastructure resilience to climate change by mapping dependencies, in order to provide a better understanding of the shared risks posed by extreme weather events.

² [Climate Resilience Decision Optimiser \(CREDO+\) - UKPN Innovation](#)



An update will be provided to the group as part of an overall summary following Final Determinations and further discussion on climate and environment would take place during the course of 2026.

8.2 ISG Feedback

The ISG encouraged National Gas to continue to manage the risk areas and look forward to the outcomes in Ofgem's Final Determinations and the challenges and opportunities that this would bring.

9. Innovation Strategy

9.1 Summary of Presentation

At the final meeting of 2025, National Gas presented to the group on Innovation. The following areas were covered as part of the update:

- Blending
- Connections Development
- Hydrogen Development including FEED Studies
- Carbon Development
- Utilisation of Artificial Intelligence
- Innovation Strategy

National Gas talked in detail about the stakeholder engagement that wrapped around the subject, namely:

- Who are the stakeholders
- When and how engagement takes place
- Identifying new innovators
- Key issues identified by stakeholders
- Addressing stakeholder feedback
- Evidence of stakeholder lead innovation
- Approach for collaboration

9.2 ISG Feedback

The group discussed the stakeholder engagement and encouraged National Gas to define the objectives of their engagement and to continue to collaborate with a wide range of stakeholders. The group also suggested that opportunities are given to small parties who often face obstacles engaging with the bigger players, to which National Gas responded that they actively encourage and seek out this kind of engagement.

The group noted the Innovation Strategy that is updated every 2 years and that they will continue to feed into this as and when relevant.

10. Performance



At each meeting, an update was provided on performance for the most recent period available in the form of a scorecard which was then presented at each meeting. All prior scorecards were included in the slide packs for transparency of trends and major changes.

The group were provided with the performance statistics in the pre-read meeting material and key points were discussed. This included the target and the forecast that National Gas believe they will achieve by the end of RIIO-T2, and whether each metric is on track to be delivered.

10.1 ISG Feedback

The ISG find this a useful and regular assessment of the company's performance to date and the prediction for the end of the price control period.

The ISG encouraged National Gas to continue to manage all risk areas and highlight both the red areas but also some of the areas that were above target to ensure that they are still fit for purpose and are challenging the company.

It was acknowledged that the company's performance will also need to be continued to be scrutinised as per the ISG Terms of Reference³.

11. RIIO-GT3

During the course of the year the group were kept informed of the key milestones and activities from submission of the Business Plan in December 2023 up to the expectations of the Final Determinations in December 2025. The final meeting took place shortly before Final Determinations were received and the group received communications via email on the outcomes and impacts of Ofgem's decisions.

The key milestones and points highlighted throughout 2025 were as follows:

- Business Plan submitted in December 2024.
- 40 Letters of Support received across a breadth of organisations in early 2025.
- Supplementary Questions – process whereby Ofgem ask the organisation questions in order to provide clarity and justification on the content of the business plan. This completed on 28th March
- Ofgem engagement ongoing throughout entire process, to continue up to Final Determinations.
- Licence drafting began in 2024 and will continue until February 2026
- Draft Determinations⁴ were published on 1st July after which an 8-week consultation period commenced. The key outcomes of this were:
 - Ofgem aligned with National Gas on the goals and priorities and recognised the quality of the plan with an £8.4m reward.
 - Significant reductions were made in the non-load Capex (asset health spends) and in Cyber projects.
 - Ofgem felt that justifications fell short in some areas so the response to the determinations provided significant data and information to support the funding and provide further justifications where required. In total, 137 questions were responded to, and a high volume of documents were submitted as part of the response⁵ which was provided to Ofgem on 26th August 2025.

³ <https://www.nationalgas.com/sites/default/files/documents/New%20ISG%20ToR%202023.pdf>

⁴ [RIIO-3 Draft Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)

⁵ [DD - Published documents](#)



- Final Determinations⁶ were received on 4th December 2025 and shared with the ISG along with a summary of the key highlights and points to note.
- A briefing highlighting key areas of relevance and interest to the group was written for the ISG and circulated on 17th December 2025.

11.1 ISG Feedback

One of the key points of discussion during the year was the role of the group going forward and what areas they can be of value to National Gas as it enters the new Price Control period. It was noted that effective stakeholder engagement would be vital for the high volume of reopeners that will form part of the RIIO-GT3 period and that the groups' contributions will be sought to challenge and provide feedback on, amongst other things. The company's performance will also need to be continued to be scrutinised as per the ISG Terms of Reference. The continuation of ISGs on an enduring basis was highlighted by Ofgem as part of the Final Determinations.

12. Conclusions and Next Steps

The ISG have provided valuable insight and constructive challenge throughout the year. National Gas has shared its thinking on a range of key areas and very much appreciate the feedback and input that the group have provided which help drive the strategies and engagement at the heart of the company.

Membership of the ISG will continue to be reviewed by the Chair and the Technical Secretary as required by the Terms of Reference and in response to any unexpected changes to ensure correct representation of the industry. The group will continue to challenge the company throughout 2026 and beyond to deliver the best for its stakeholders and ultimately to the benefit of consumers.

⁶ [RIIO-3 Final Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)