



Independent Stakeholder Group Meeting 9

September 2025



1. Introduction

The National Gas Transmission Independent Stakeholder Group (ISG) was set up in November 2023. In December 2024 a Report¹ was published to demonstrate the output of the group throughout the year. For 2025, a report will be published after each meeting to ensure ongoing transparency. A full year report will be published in December 2025.

Figure 1: ISG Members 2025



1. Customer and Stakeholder Strategy

1.1 Summary of Presentation

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 present. 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

¹ <https://www.nationalgas.com/sites/default/files/documents/ISG%20Report%20December%202024.pdf>



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.

2. Climate Resilience

2.1 Summary of Presentation

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.

Overall, Ofgem gave a positive assessment of National Gas's Climate Resilience Strategy in its Draft Determinations, however, they disallowed 98% of the requested funding of Climate Change Adaptation total expenditure. National Gas have challenged this in their response and will work with Ofgem over the coming weeks to reinforce the need for funding in this area ahead of Final Determinations in December.

2.2 ISG Feedback

3. Performance

3.1 Summary of Presentation

An update was provided on performance for the period from April - July 2025. Some measures have been adapted following the yearly review of the scorecard. The previous scorecards from the March and June meetings were included for comparison to show any movement between periods.

The group were provided with the performance statistics in the pre-read meeting material, and the following points were called out in the meeting to address the risk areas:

- Total Company Capex Delivery gap to forecasted Budget - currently on track to be delivered by the end of the year.
- T2 Delivery (% of PCD categories). There are risks in some areas however mitigations are in place to manage these risks.
- The company is currently on track to deliver almost all of its commitments. Measures are being taken on the outstanding ones noting that the data is from the first quarter of the fiscal year.
- Customer Satisfaction Score – the score is slightly below target due to some lower scores in specific areas. There is an expectation that this will improve as volumes increase and the low scores have less of an impact over the year and efforts will continue to exceed customer expectations in all areas.

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



3.2 ISG Feedback

The ISG encouraged National Gas to continue to manage the risk areas and call them at remaining ISG Meetings. The group asked about potential changes to the metrics going into RIIO-GT3 and were advised that whilst it will be reviewed, any material changes are unlikely.

4. RIIO-GT3

As with previous meetings, an update on the latest developments in RIIO-GT3 were provided by the company:

- Draft Determinations³ were published on 1st July after which an 8-week consultation period commenced.
- 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 response⁴ which was provided to Ofgem on 26th August 2025.
- Over the next few weeks, National Gas will engage with Ofgem and Final Determinations are expected towards the end of the year.

4.1 ISG Feedback

The groups discussed specific areas where funding had been significantly cut and the risks that may occur if this does not change in Final Determinations. The group discussed their role 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 Reference⁵. Further guidance may be issued by Ofgem as part of the Final Determinations, and this would be applied where appropriate. A new set of topics will be presented to the group at the December meeting to agree on standing items for discussion, as well as varied agenda items each meeting that require the ISG's expertise.

³ RIIO-3 Draft Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem

⁴ DD - Published documents

⁵ <https://www.nationalgas.com/sites/default/files/documents/New%20ISG%20ToR%202023.pdf>



5. Appendices

ISG 2025 Agenda Items

Independent Stakeholder Group– 2025 Framework

