

To:

National Energy System Operator Limited

Direction under Part B of Condition C15 (Future Energy Pathways) of the Electricity System Operator Licence and Part B of Condition C10 (Future Energy Pathways) of the Gas System Planner Licence to issue the Future Energy Pathways Guidance

1. The company to which this direction is addressed, National Energy System Operator Limited (NESO), is the holder of an Electricity System Operator Licence ("ESO Licence") treated as granted under Section 6(1)(da) of the Electricity Act 1989 and a Gas System Planner Licence ("GSP Licence") granted under Section 7AA of the Gas Act 1986.
2. The Gas and Electricity Markets Authority ("the Authority")¹ issues this direction, under Conditions C15.7 of the ESO Licence (Future Energy Pathways) and C10.7 of the GSP Licence (Future Energy Pathways), to issue and put into effect the Future Energy Pathways Guidance ("Guidance").
3. On 13 August 2024 the Authority published the text of the proposed Guidance on the Authority's Website² and requested that any representations be made on or before 13 September 2024.
4. We received 21 responses to our consultation, which we have carefully considered. All responses were non-confidential and we have placed these on our website. Our response to these representations is set out in the decision document published alongside this direction.
5. We have made two material changes to the Guidance as a result of consultee feedback.
6. The first is to remove the requirement that NESO produce regional, as well as national, pathways. Since we consulted on the draft Guidance, the role and timescales for NESO's production of Regional Energy Strategic Plans (RESPs) have been clarified. We expect NESO to develop regional pathways, that model supply and demand, as part of the development of a smaller scope transitional RESP in Autumn 2025, and then on an enduring basis from the end of 2027. Given this earlier timeframe, we consider that the Future Energy Pathways have no need to produce a separate set of regional pathways.
7. Secondly, we have added a requirement for NESO to develop the capacity to model more granular distribution (gas and electricity) supply and demand data. NESO must set out a predicted timescale for this work to be undertaken.
8. We have also made a number of minor amendments and clarifications to the proposed text of the Guidance to address wider points raised in the consultation responses. We have set out the rationale for these amendments in the decision document published alongside this direction.

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Gas and Electricity Markets Authority (GEMA) in its day to day work.

² [Future energy pathways \(FEP\): draft guidance | Ofgem](#)

9. The reason for this direction is to issue and put into effect the Guidance which sets out the principles and expectations that NESO must follow to produce Future Energy Pathways.
10. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.
11. Now the Authority, pursuant to Condition C15 of the ESO Licence (Future Energy Pathways) and Condition C10 of the GSP Licence (Future Energy Pathways), hereby directs that the Guidance, published on our website on 28 February 2025, is issued and will have effect from 28 February 2025.

Jack Presley Abbott
Deputy Director, Connections and Strategic Planning
Duly authorised on behalf of the Gas and Electricity Markets Authority
28 February 2025