



Shaping the future gas transmission system

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Shaping the future gas transmission system

Business Plan Overview
Our vision and investments

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1. Introduction

In July 2024, we submitted the basis of our RIIO-GT3 business plan to Ofgem. We continue to develop our stakeholder-led business plan as we finalise it before submitting to Ofgem in December 2024.

The Business Plan Overview: Vision and Investments document forms part of our RIIO-GT3 communications and engagements and should be read alongside our suite of Business Plan Overview documents.

We are seeking customers' and stakeholders' views between 12 August and 11 September, on our overall plans and are inviting responses to our survey.



Scan or click to share your views



- 1. Business Plan Overview:** Summary and stakeholder engagement
- 2. Business Plan Overview:** Vision and investments
- 3. Business Plan Overview:** Benefits for customers and consumers
- 4. Business Plan Overview:** Our credible plan
- 5. Business Plan Overview:** Incentives consultation

This document provides more detail on how we've developed the business plan. We have deliberately constructed and aligned our plans to the four Ofgem regulatory outcomes. Our five strategic priorities along, with the Ofgem outcomes and consumer priorities are the guiderails for our RIIO-GT3 business plan.



2. How we're building the plan

National Gas Transmission is leading a clean energy future for everyone.

We do this by maintaining the gas transmission network to deliver energy resilience and security for a just and orderly energy transition to net zero.

The business plan focuses on methane investments and will ensure that we continue to deliver world class reliability, safety and maintain RIIO-T2 levels of risk.

Alongside our RIIO-GT3 plan we have an ambitious plans to deliver a core hydrogen network across Britain.

This would effectively act as a 'hydrogen motorway', taking hydrogen to where it needed, across the whole of Great Britain, ensuring that all parts of the country can directly benefit from the hydrogen economy.

Our investment plans lay the groundwork for this transition, it is also the insurance policy as we progress towards a sustainable energy future

which delivers 2030 targets for clean power. Crucially, it allows us to balance the needs of today's consumers with the requirements of the net zero transmission.

The business plan is stakeholder led and we continue to test it as we evolve our plan to ensure that it meets the needs of exiting users, customers and consumers.

The image below shows a holistic view of how Ofgem's regulatory outcomes, our consumer priorities and our business priorities drive all that we do to deliver our purpose.

Regulatory outcomes

The things that are important to the UK energy industry

Infrastructure fit for a low-cost transition to net zero

High quality of service from regulated firms

Secure and resilient supplies

System efficiency and long-term value for money

Consumer priorities

The things that are important to the UK energy consumers

I want the drive to net zero to be at the core of all National Gas Transmission initiatives

I want the network to operate safely, reliably, and efficiently, as a foundational standard of service

I want an affordable energy bill

Our purpose

Why are we here

Leading a clean energy future for everyone

Our values

How we work

Progress

Simplicity

Ownership



Shape the energy markets of the future



Drive positive environmental and community impact



Deliver sustainable value for customers and stakeholders



Invest in our grow our capability, and value everyone's contribution



Operate safely, reliably and flexibly

Our priorities

Where we will focus out efforts

Our five strategic priorities

1

Deliver sustainable value for our customers and shareholders:

We'll listen and respond to customers, to make sure we deliver what they need. With commerciality in mind, we'll continue to understand, measure and demonstrate the value we provide to our customers and stakeholders, engaging, listening and acting on feedback. We'll focus on security and affordability of natural gas supplies for UK consumers during the net zero transition and build trust by telling a transparent story.

2

Invest in our people, grow our capability and value everyone's contribution:

We're nowhere without our teams, and our business is only as good as its people. We'll continue to convey the critical role that our people play in our ability to achieve our vision, ensure that our teams have sufficient time, the right tools to do their jobs, and are supported to deliver their potential. We'll focus on wellbeing, actively listen to our colleagues and engage them in how they want our business to be run, and recruit, develop, engage and retain a talented, diverse and inclusive workforce.

3

Drive a positive environmental and community impact:

We think green when maintaining, improving, operating, decommissioning or buying in assets. We'll understand physical risks to our assets of climate change and develop an adaptation strategy, continue to reduce emissions from our assets and ensure that we comply with emissions legislation. We'll reduce indirect emissions through managing resources responsibly; minimising waste, increasing recycling, maximising diversion from landfill, whilst repurposing our redundant assets. We'll achieve net zero by 2050.

4

Operate safely, reliably and flexibly:

Doing the job we're here to do, running our business to highest standards, never compromising on our people or customers' safety. We'll keep our people and the public safe, manage physical and cyber threats to our network, ensure sufficient network capability, maintain high levels of asset reliability, provide energy system resilience to complement renewable energy technologies and comply with our cross-industry and legal obligations, managing risk effectively.

5

Shape the Energy Markets of the Future:

We're at the centre of the energy markets of the future, working to secure and decarbonise UK supplies whilst leading the hydrogen transition. We'll ensure that stakeholders understand the critical role we play in the UK energy mix, work with them to design the regulatory and commercial frameworks for future regulatory submissions. We'll demonstrate our submissions are in the interests of UK industry and consumers, secure allowances for investment in the existing methane network and to enable the transition to hydrogen networks of the future.



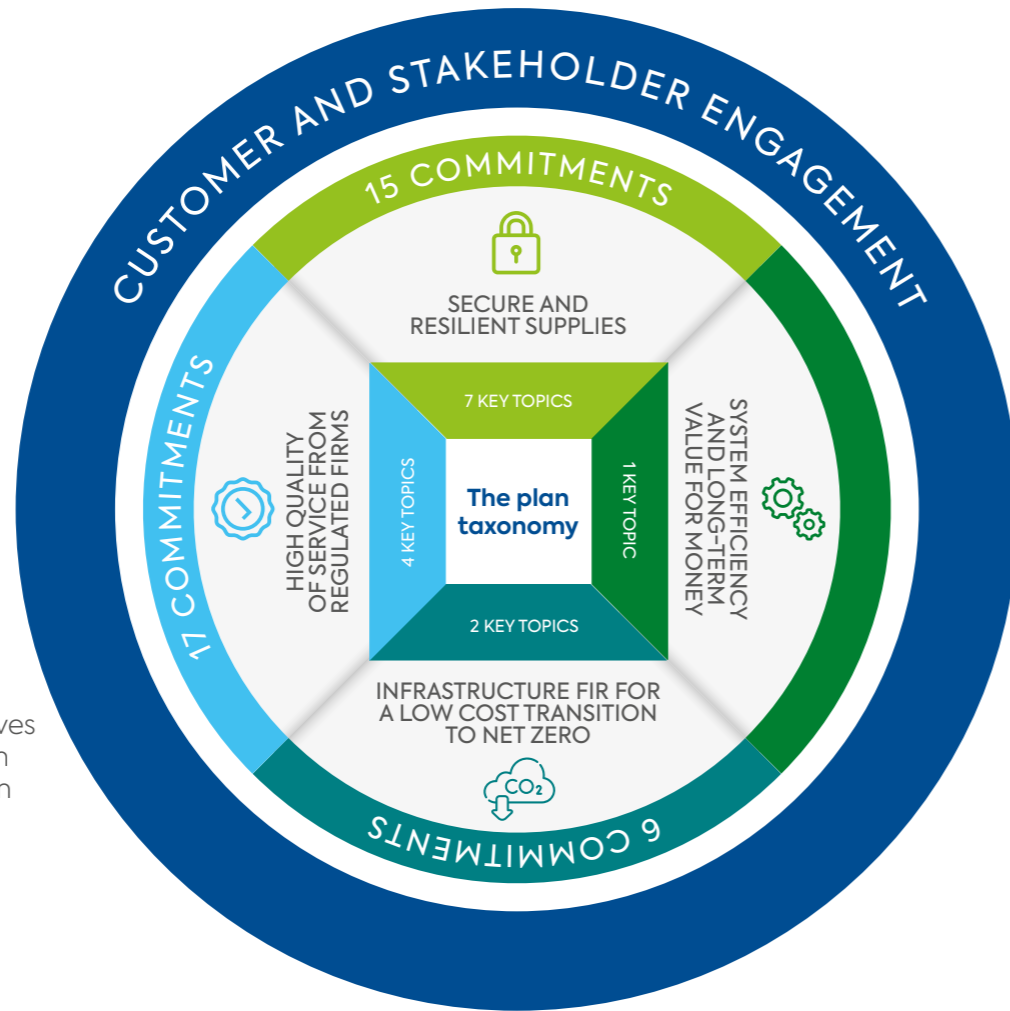
2. How we're building the plan

The image opposite shows how our key topics discussed within the plan, and our draft commitments align to the regulatory outcomes and are underpinned by our customer and stakeholder engagement.

You can find more detail on the commitments we're proposing in the **'Business Plan Overview: Benefits for consumers and customers'** document.

In addition, we have eight draft output delivery incentives (ODIs), which can be found in the 'Stakeholder consultation on our RIIO-GT3 incentives' document.

Key topics addressed within the RIIO-GT3 business plan align with our strategic priorities, regulatory outcomes and stakeholder priorities.



3. Planning the journey to net zero

National Gas Transmission delivers power to generators, industries, businesses and domestic consumers.

Today, natural gas delivers annually three times as much energy as electricity and up to five times as much peak energy; it keeps between 80 to 85% of the UK's 28 million homes warm and comfortable, generates electricity and fuels industrial and manufacturing processes.

In all scenarios out to 2050 there is a role for natural gas to fuel industry and keep homes warm.

As we transition, we must maintain capability in the transmission network to provide fuel for dispatchable gas-powered generation, when renewables are unavailable.

This is a critical insurance policy to ensure that we deliver the energy needs and protect the energy security of society today and tomorrow.

The gas transmission network will play a key role in the future and will support the transition to net zero for the following reasons:



Electrifying heat will require flexible and fast gas-powered electricity generation. The gas transmission network is well placed to support this fast and flexible generation.



Renewable electricity generation cannot be guaranteed through cold periods and this puts consumers at risk.



To overcome this risk you need to be able to store energy at scale which can realistically provide a response over long periods of time and gases are the only plausible option.



Our network is well connected to existing gas storage and there are limited locations for new hydrogen storage and interconnectors.



Therefore, a national network that connects production, storage and demand centres (for either Hydrogen, or methane with carbon capture) will provide benefits that would not exist with local networks.

As we prepare for RIIO-GT3 there is still much more to do to deliver against our regulatory requirements, emissions targets and cyber requirements.

Ofgem has confirmed that we must submit draft business plan data templates (BDPTs) and supporting documents in July 2024 and a final version in December 2024.

However, we are also required to submit a further submission in March 2025 to account for the latest Future Energy Scenario (FES) data. Ofgem has requested that we base

our business plan on National Grid Electricity System Operators' FES data.

For our December submission we will present our plan based on FES23 Scenarios with adjustments to account for compliance obligations to provide 1 in 20 peak demand. In March 2025, we are required to update our business plan for FES 24 – Holistic Pathway and Counterfactual.

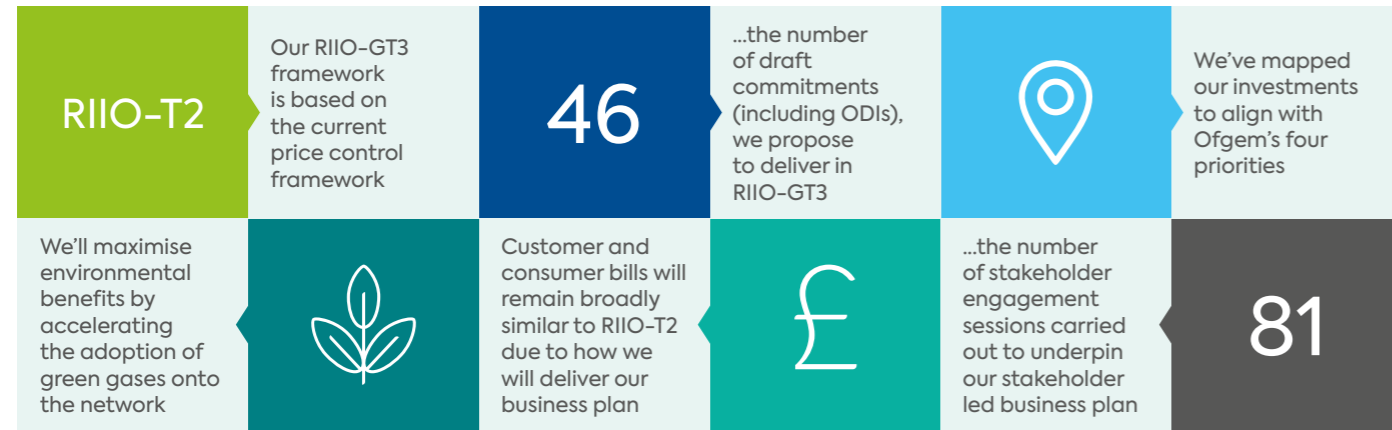
We will also make adjustments to achieve compliance with our 1 in 20 peak demand obligations.

Our analysis to date shows that planning scenarios are not a major driver of investments, as immediate needs driven by current network asset health and new cyber resilience standards are the main drivers.

Our assets, such as above ground installation and gas pipelines, are critical to delivering our services so maintaining the condition, or 'health', of these assets is essential.

4. Key investment areas for RIIO-GT3

Our RIIO-GT3 business plan builds on existing customer and stakeholder insight and is focused on meeting the energy needs of the future. The key areas of investment to provide the resilience network that you expect is categorised across four key areas.



4.1 Asset Management

Our asset base, systems and processes are complex and within Gas Transmission, we work together to deliver best value from our assets by continually balancing cost, risk and performance decisions.

Our assets can have adverse impacts on our stakeholders and the environment if they are not managed correctly, coupled with the heightened requirement to decarbonise the energy system, how we work and the decisions we make are becoming increasingly important.

We make our asset decisions within our ISO55001:2014 accredited asset management framework that is balanced, auditable, justifiable and designed to overcome challenges through innovation.

Our approach to asset management is set out within our Asset Management Strategy and Objectives (AMSO) document which describes our overall management strategy for the network's assets, our Asset Management Objectives (AMOs) and how our practices, policies and procedures together form an integrated asset management system.

Our AMSO provides a clear line of sight, translating our business priorities into tangible AMOs; these long-term aims set a direction on how we should use and develop our assets, systems and processes, informing our Asset Management strategies and subsequent delivery plans.



The below diagram illustrates how our seven AMOs align to business priorities:



To achieve our 2030 goal of asset management excellence, we shall continue to deploy incremental and transformational changes in our asset management system, by innovating and finding better ways to improve our performance, building upon our existing capabilities.

We have established a clear direction of travel through our asset management system, driving performance and change through a set of robust asset management objectives and strategies.

This has ensured we continue to manage, maintain

and invest in our asset infrastructure to deliver the services our customers need, while ensuring the safety and reliability of our network and playing our important role in supporting the energy transition.

Our Asset Management Plan (AMP) provides a long-term optimised plan to manage network risk and performance, aligned to our business priorities and asset management strategies.

It provides a rolling ten-year value-based plan, with a clear line of sight from our

business priorities and asset management strategies.

It has been developed to enable us to optimally manage our assets, to align with our business needs and to facilitate the delivery of our social responsibilities now and in the future. You can read more about the AMP on [page 14](#).

Each year, we refresh our asset management strategy and rebase our AMP, adapting to the continually evolving energy landscape and accounting for changing asset risk and performance.

4. Key investment areas for RIIO-GT3

4.2 Cyber and Security

Our overall cyber strategy is to eliminate, and where not achievable, reduce our OT risks through pragmatic and timely means.

This is framed by our objective to comply with the NIS Regulation objective to ‘take appropriate and proportionate security measures to manage risks to their network and information systems’.

We achieved Cyber Assessment Framework (CAF) “basic profile” by the end of 2023 and have led the downstream gas sector by sharing our

developments, lessons learnt and best practice. In RIIO-GT3 we aim to continue along this path and meet the CAF “enhanced profile”.

We are installing enhanced physical security measures at our sites. We are investing further into our culture and training for security.

Our RIIO-GT3 plan builds on the work done in RIIO-T2 as well as addressing new requirements and anticipating the level of change to which we will need to respond.

4.3 IT

Our IT portfolio will deliver systems that gather, store and process essential information to run our business, make decisions, comply with legislation and achieve both consumer and stakeholder outcomes. Our IT investment plan for RIIO-GT3 delivers our Digitalisation Strategy (March 2024) and builds on our biannually updated **Digitalisation Strategy Action Plan (DSAP)**.

Our IT investment plan is led by the need to maintain or improve business capabilities and our investments are informed and driven by the business, regulatory and stakeholder priorities.

Our priorities define the outcomes (“why do it”) and are complemented by the triggers for change (“why do it in the coming period”).

To make the drivers easier to understand, we have used three overarching categories which reflect the level of change:

- Keep our systems healthy, secure and compliant – keep Britain’s gas network running safely and securely
- Deliver Outcomes – enabling enhanced capabilities which deliver key business outcomes.
- Deliver innovation -- transformation of a capability driven by new external requirements or new technology opportunities.

You can find more detailed information in the IT key topic on [page 17](#).

Information Technology
Customer and Stakeholder
Operations Enablement
Efficient Enterprise Essentials (Applications)
Efficient Enterprise Essentials (Infrastructure)
Enabling Energy Security
Enabling Market Efficiency and Regulatory changes
Data Foundation and AI & Smart Networks



5. An overview of our key topics

There are 14 key topics included within our plan, and each one aligns to Ofgem’s regulatory outcomes. We’ve given a high-level overview of each topic to explain how they will impact and shape RIIO-GT3.



High quality of service from regulated firms

How we run the business

Our most important assets are our people. We invest heavily in the development of our people to ensure that we have a technically skilled, inclusive, and highly engaged workforce, who are engaged in what we need to achieve, can thrive, and feel enabled to deliver to the best of their abilities.

The aim of which is to provide our business with the resilience it needs to deliver for consumers now and in the future.

We are dedicated to working with young people, who are the future of our business, and our country. We are developing national and local skills development partnerships and initiatives, with a focus on the lower income communities we serve.

Our employees’ physical and mental health are paramount to us succeeding as a business. We know that a holistic approach to health helps to keep our employees healthier, and engaged, for longer.

Our SHE (safety, health, environment) Committee continues to focus our wellbeing efforts on encouraging behavioural change within our workforce, through education and training. Our wellbeing programmes have raised awareness to employees of various risks associated with modern living and the impact it can have on their health.

Responsible procurement activities create positive effects down the supply chain with positive impacts

on communities. We require all our suppliers, Tier 1 and beyond, to pay the real living wage to their UK workers and will verify this at Tier 1 in relevant categories.

We also deliver impact in supply chain at scale by engaging with the supply chain through relevant forums. In addition, we promote skills development in the supply chain by requesting that a minimum of 5% of the supply chain technical headcount is upskilled annually.

Furthermore, we use our influence in sector to identify and address potential human rights risks in the supply chain.

We are committed to ensuring sustainability is at the heart of our business.

5. An overview of our key topics

High quality of service from regulated firms

How we run the business

It is embedded within our purpose – leading a clean energy future for everyone.

Environmental, social and governance (ESG)

factors represent risks and opportunities that will influence our ability to deliver our purpose. By recognising ESG factors that are important to our

business, we can proactively manage commercial risks and embrace opportunities beyond statutory and regulatory compliance to create sustainable value.



Environmental

Improving the environment

We strive to **achieve minimal adverse environmental impacts** across all our operations whilst also seeking ways to **enhance the local environment**

Air quality

Climate change

Responsible asset use

Caring for the natural environment

Leadership for change



Social

Acting with a social conscience

We deliver **sustainable social impact**, promoting the **wellbeing of our people** and adding value to both the **communities** within which we operate and wider society

Charitable giving

Community engagement

Future skills and education

Employee health and wellbeing

Customer engagement and protection



Governance

Running our business responsibly

We have a **robust internal system** of practices and procedures allow us to make **effective decisions, comply with the law, and provide assurance** to our stakeholders

Structure and oversight

Transparency and reporting

Ethics and compliance

Financial and operational risk

Supply chain management



Gas System Operator (SO)

The gas SO is responsible for operating, controlling, and monitoring the Gas National Transmission System (NTS) in real time, making gas available when and where our customers across Great Britain (GB) need it, playing an essential role in keeping Britain's homes warm and its industry moving.

SO is also responsible for facilitating the safe, reliable, and efficient operation of the GB gas market whilst remaining resilient in an increasingly volatile environment.

Within RIIO-GT3 we are proposing to deliver an ambitious programme of investment works, as outlined in the Asset Management Plan (AMP), to ensure our assets are appropriately maintained and upgraded where needed.

To achieve this level of investment an increased volume of shutdowns (including scheduling and undertaking safety responsibilities for delivery of the shutdown) will be required, benefiting our customers by providing unrestricted, flexible access to, and utilisation of the NTS.

We will work closely with NESO in the continued establishment of the Office of Resilience and Emergency Management (OREM). This will be underpinned by investment in our critical IT systems to secure their capability.

The journey to net zero is imperative to us as a business and something we will aim to achieve by facilitating the evolution of Hydrogen blending, along with understanding the impact

on the natural gas network of repurposing assets to transport alternative gasses.

We will evolve our approach to Strategic Network Planning and long-term forecasting, working with the NESO to ensure a whole system approach is adopted.

The GSO will also ensure high quality of service to our customers and stakeholders by working with the industry to develop market frameworks to adapt to the changing operating needs, closely collaborating with NESO to further develop market strategy and continue to provide increased data and information to our customers so they can continue to optimise the operation of their business.

Incentives

Incentives are an important part of the overall regulatory package, designed to create value to our customers and stakeholders and reduce our overall System Operator and environmental costs.

We have undertaken a comprehensive review of our existing incentives in collaboration with our customers and stakeholders who have told us the incentives drive the right behaviour and are valuable to them.

In addition, they have told us that they would like us to increase our focus on reducing our environmental impact.

For RIIO-GT3 we have recalibrated existing and designed new environmental incentives which will be a central part to our RIIO-GT3 Business Plan commitments. Details of these incentives can be found in the Incentives Consultation document.

We are consulting on these incentive arrangements and will seek views on these proposals that they remain ambitious, reflective of the changing landscape we are operating within, reflects our unique role, yet still delivers the intended consumer value.

Your feedback will support the final proposals.

Innovation

Innovation is about taking calculated risks that can drive change and deliver value to our customers, stakeholders and consumers. Innovation has a critical role in delivering the Gas Transmission Network of the future, and while the energy transition is a

clear focus, we must also utilise innovation to ensure continued development of network resilience and to deliver a quality service. Throughout RIIO-GT3 we will develop our understanding of our current asset landscape and its capability with future

net zero gases, we will focus on sensing systems and assessment methodologies such as robotic assessments and pipeline inspection gauges, and we will develop solutions to help improve our materials resistance for current and future scenarios.

5. An overview of our key topics

Secure and resilient supplies

Asset Management Plan (AMP)

Our AMP provides a long-term optimised plan to manage network risk and performance, aligned to our business priorities and asset management strategies.

It provides a rolling ten-year value-based plan, with a clear line of sight from our business priorities and asset management strategies.

It has been developed to enable us to optimally manage our assets, to align with our business needs and to facilitate the delivery of our social responsibilities now and in the future.

Each year, we refresh our asset management strategy and rebase our AMP, adapting to the continually evolving energy landscape and accounting for changing asset risk and performance.

This plan allows us to deliver our key asset management obligations, including the development and maintenance of a safe and efficient, coordinated and economic system of gas transmission, which supports competition in the supply of gas, whilst having a regard for the effect of our activities on the environment.

These obligations ensure we take a holistic view of our asset health work to support the network capabilities stakeholders require from us.

The AMP describes in detail the asset-related investments that are required to deliver our Asset Management Strategy and Objectives, it explains the information utilised, the approach taken, and the assumptions we have made to develop the plan.

For every investment decision there is a clear driver accompanied by justification outlining how we have derived specific intervention proposals.

The level of investments required within the RIIO-GT3 period will need to increase from RIIO-GT2 by around 57%.

The main drivers are associated with asset health, network capability and emissions legislation.

The diagram below illustrates the underlying investments within our AMP – for our final submission to Ofgem we will submit an investment delivery pack setting out the engineering justification papers and cost benefit analysis justifying our investments against each of the investment areas.

Pipelines AMP	Sites AMP	Compressor AMP	Security AMP
Pressure Vessel	Site Assets	Rotating Machinery	Physical Security
Pipelines	Valves	Cabs	Cyber - Control
Pipeline Protection	Electrical	Compressor Fleet	Cyber - GQMT
Cathodic Protection	Civils	Net zero	
AC Inspection and Remediation		St Fergus	
Scrub			
TD1 Resolutions			
River Crossings			

Asset Health

Our asset health plan shall deliver more than twice RIIO-T2 levels of investment. This is necessary to achieve a stable level of risk across the network, to a level aligned to the beginning of RIIO-T2; this shall be achieved by proposing the right mix of strategic investments and optimised asset management decisions based on value they deliver to our customers.

The extensive use and age of our critical infrastructure means our assets require greater care, increased monitoring, refurbishment and replacement to maintain a safe, reliable transmission system.

Our assets can have adverse impacts on our stakeholders and the environment if they are not managed correctly. For example, an asset failure could lead to increased risk to life and property and/or cause significant customer disruption.

A significant proportion of our assets are reaching, or have reached, the end of their design life.

Some systems face obsolescence and customers are requiring an increasingly flexible network (e.g. impact of Ukraine war).

Increased investment in our assets is essential to ensure we do not generate a potential spiral of asset decline that is unrecoverable, leading to a more reactive asset management approach (due to sharp cost rises to gain control coupled with outage and deliverability constraints) in the long-term.

We will continue to manage, maintain and invest in our asset infrastructure to deliver the resilient services our customers require, demonstrating our continued compliance with legislation.

Overall, we are looking to ensure reliability and affordability for customers, whilst retaining optionality for the future so as to avoid the risk of stranded assets in our transition to net zero.

We are proposing that our asset health programme continues to grow as we have undertaken a significant programme of inspections/surveys, which indicates a need to invest to maintain the current resilience of the network through the rest of the decade.

Stakeholders have challenged us to ensure our asset health plans are built on robust analysis, are efficient and affordable for end consumers and drive innovation.

We have used improved decision support tools and monetised risk modelling to assess the right level of prioritised investment in these assets.

Network Resilience

A resilient, flexible network is crucial to managing the impacts of global events and to ensure the network can efficiently transport increasingly diverse and volatile gas supplies to meet the required demand. The requirement for high levels of resilience on the network links to the Secretary of State and Ofgem's principal objective of protecting the interests of existing and future consumers, including their interests in the security of supply of gas to them.

NGT also has significant resilience obligations, set out in the Gas Act, specifically the requirement that it "shall develop and maintain an efficient and economic pipe-line system" to meet expected demand including during peak demand events.

National Gas has been working closely with the government following the actions within the publication of its energy security plan (**Powering up Britain Publication**¹), to explore gas transmission network infrastructure resilience.

Through the Network Resilience Summit National Gas, Department Energy Security and Net Zero and National Grid Electricity System Operator explored solutions for addressing risks to UK energy solutions.

Following the Summit NGT put forward amendments to the Transmission Planning Code (TPC).

Ofgem has recently approved NGTs proposed amendment to the TPC for delivering a standardised approach to planning and developing the NTS in response to both capability (additional infrastructure) and resilience (reliable infrastructure) requirements.

In recent years the way in which the network is used by customers has changed significantly and the volatility seen is increasing. The level of inherent risk on the gas high pressure network is increasing as is the rate and duration of asset failures.

The RIIO-GT3 business plan will stabilise this level of risk across the network to a level aligned to the beginning of RIIO-T2.

¹ Powering Up Britain - Joint Overview (publishing.service.gov.uk)

5. An overview of our key topics

Secure and resilient supplies

Climate Resilience

We are acutely aware of the potential impact of climate change on our critical national infrastructure and are keen to explore ways to improve our understanding to ensure the operation of our network remains resilient and reliable in a changing climate.

Our approach toward adapting to the impacts of a changing climate and our plan for future resilience is captured within our Climate Resilience Strategy.

We have developed and assessed investment plans against the eight climate hazards we are proposing within our Adaptation Reporting Power (ARP4) submission to Department for Environment, Food and Rural Affairs (Defra), in collaboration with the Energy Networks Association (ENA).

Significant effort is required by us and the wider energy sector to embed climate resilience principles within our asset management systems.

We believe that the development of the climate resilience metrics (through our on-going collaboration with ENA) will be a fundamental step toward building a data-driven, evidence-based approach to undertaking climate adaptation and enabling climate resilient energy networks.

By establishing these metrics, the benefit of climate adaptation measures can be consistently quantified and their benefit in increased levels of climate resilience of energy networks demonstrated to consumers.

We commit to working closely with our stakeholders (especially with Ofgem supported ENA Climate Change Resilience Working Group (CCRWG)), in undertaking scenario planning to identify the possible risks and impacts of climate change, using the UK Climate Projections (UKCP) and FES adaptation pathways.

This work will allow us to appropriately plan for current and future investment decision points across the asset lifecycle.

Our Climate Resilience Strategy outlines our balanced approach to tackling our challenges through a mix of reactive and proactive actions within RIIO-GT3 and beyond.

On the reactive front, where our asset capabilities have been tested by climate change, providing evidence of its impact on the operation of our asset base, we have proposed Climate Change Adaptation (CCA) driven investment in physical asset enhancements and protection.

We have noted separately the investments that are driven primarily by other investment drivers (such as Asset Health) but also have CCA as a secondary driver. Additionally, we have recognised and noted other non-CCA driven investments that will deliver climate resilience benefits and have included within our plan, provision for climate change impact studies across our 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 and in addition to our planned site-specific climate risk assessments.

In the long term, proactively adapting to the effects of climate change will require us to adjust our own operations and build resilient infrastructure and contingency plans to better cope with weather-related threats and potential shifts in external behaviours that could unintentionally threaten our assets.

During RIIO-GT3, we aim to glean better data driven insights into the potential impacts of climate change on our network resilience through the proposed surveys and studies mentioned above, enabling us to build targeted, efficient, and well justified proactive responses.

Safety

The safety and health of our workforce, the public and our assets remains an integral part of how we work at National Gas and a top priority within our overall strategy.

As we move into RIIO-GT3 we will build on our ambition to be 'Safe every day', which will support the embedding of a proactive culture whilst we drive for the highest level of safety maturity.

The ambition will set the strategic direction for the RIIO-GT3 framework and associated safety and health plans.

Focus within these plans continue to be aligned to four key target areas: keeping our assets and processes safe, improving safety, supporting health and wellbeing, and demonstrating safe behaviours every day.

We keep our assets and processes safe by managing the integrity of assets, operating systems, and processes through the

application of good design principles, engineering, and operating practices to help prevent major incidents such as fires, explosions and the release of hazardous substances.

In addition, it is critically important that we continue to operate in a way that protects members of the public and ensures that safe operating distances are maintained.

We improve safety by managing workplace hazards that are present as a result of our operations through continued compliance with all legislation, clear understanding of our risk profile and applying robust setting to work controls and assessments.

We will continue to expand on, and drive, improvement activities to help prevent accidents and harm to individuals from work-related activities.

We support health and wellbeing by managing how

work and the associated work environment can impact health, both physical and mental. This is through a combination of, leading health and wellbeing service provisions, as well as proactive wellbeing initiatives that expand beyond legislative requirements.

These activities help to reduce ill health whilst also providing colleagues with the opportunity to engage in activities/initiatives that enhance their health and wellbeing.

We demonstrate safe behaviours by managing processes to support engagement and continual improvement by ensuring that safety is at the forefront of all decisions, trust and accountability to act safely is re-iterated, and open/honest conversations are encouraged to ensure that successes are celebrated and shared but also learning is gained when something has not gone so well.

Information Technology (IT)

Our IT strategy is driven by the requirements of the business to achieve outcomes critical to our consumers and stakeholders. The IT plan responds to business requirements for more data and smarter tools.

With these we will make better decisions to enable delivering a larger Asset Management Plan (AMP) and manage system risk in an industry on a change path to net zero.

Much of our plan is once again driven by IT asset health requirements but compared to RIIO-T2 this is a lower proportion due to the demand from business functions for further digitalisation and advanced decision support tools.

The combination of these drivers creates a need for investment in our technology.

Our IT portfolio allows us to store and process essential information, make decisions, and comply with legislation, all contributing to enabling key business capabilities which deliver our core business functions: operating and maintaining the national gas transmission system and acting as system operator.

Our IT investment plan is led by the need to maintain or improve these business capabilities and these investments are driven by regulatory and stakeholder priorities.

Our RIIO-GT3 plan builds on the work done in RIIO-GT2 as well as addressing new requirements and anticipating the level of change to which we will need to respond.

Cyber and External Threats

Our network is subject to many security threats and they are increasing in sophistication and persistence.

These threats include terrorism, criminality and vulnerability in information technology (IT) operational technology (OT) systems and physical security.

You can find more information on Cyber Security in [section 4.2](#).

5. An overview of our key topics

Infrastructure fit for a low-cost transition to net zero

Compressor Fleet Strategy

Our compressor fleet is critical to the operation of the National Transmission System (NTS) and is facing many challenges in the years ahead.

The requirements being placed upon our compressor fleet are expected to evolve over time, it is therefore essential that we invest in them to deliver these evolving requirements; not just to maintain existing capability.

Our ambition to achieve Net Zero may require for example, the construction of new, less polluting units, or the restricted operation of existing units. Changing supply and demand patterns could alter the capability required in a particular geographical area of the network, such as the ability to flow gas in a different direction along a pipeline.

We cannot control where gas comes on and off the network throughout each day, our strategically positioned compressors therefore play a crucial role by responding to changing supply and demand to meet our licence obligations.

The compressor fleet balances pressure and flow across our integrated network and wider GB energy system.

For example, as well as controlling the pressure of gas to the distribution networks, compressors are also used to ensure gas is supplied to industrial consumers and power stations to generate power for the UK.

These flows are increasingly volatile due to the increasing amounts of intermittent renewable generation.

Our compressors provide the flexibility to respond to this volatility, especially important where power stations are located at the extremities of the network.

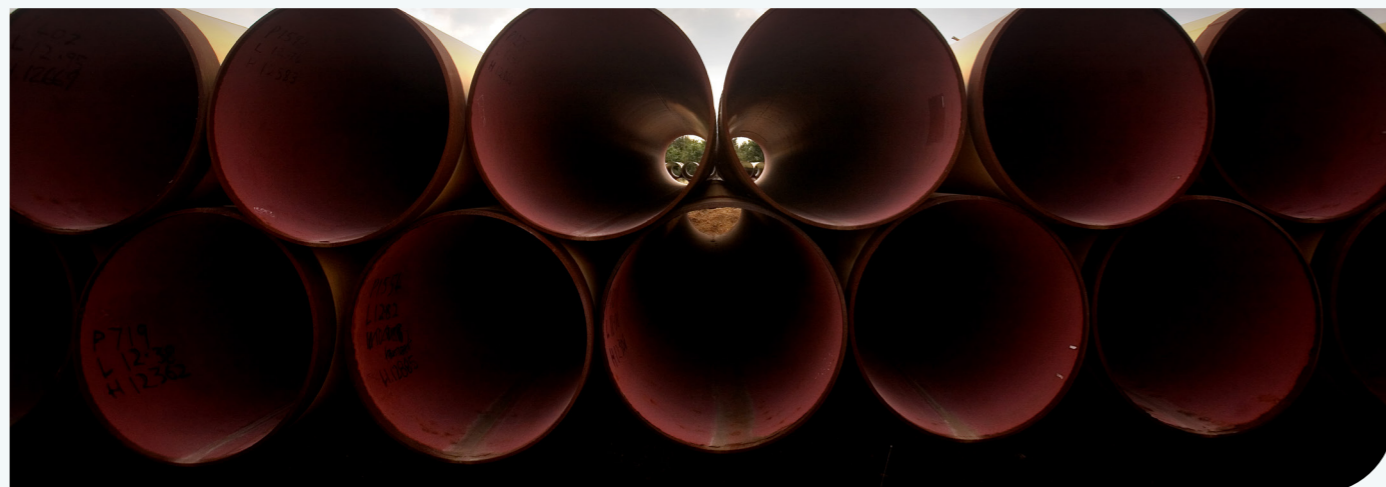
Any loss of compression has the potential to cause significant impact to customers, both upstream and downstream, and ultimately begin to impact on our 1-in-20 legal obligation.

This makes it essential that our fleet remains available and resilient to the demands put on the NTS.

We must continue to deliver strategic investment to ensure our compressor fleet has the capability, resilience, operability and maintainability to meet our licence obligations and consumer's needs whilst also complying with emissions legislation.

For RIIO-GT3, we have reviewed a broad range of drivers to understand the issues facing the network and the full range of options available.

A wide variety of investments are being considered, including compressor re-wheels, decommissioning, purchase of strategic spares, performance testing, emissions abatement technology and site reconfigurations.



Caring for the environment and communities in which we work

Our network includes pipelines and facilities which span the length and breadth of the United Kingdom, and we interact with a wide range of natural environments and communities. We are conscious that our infrastructure and ongoing works will affect these local areas, and it is a priority to ensure these interactions are positive.

We will aim to ensure that works conducted on our assets, and the way we use them, is focused on delivering secure and resilient supplies of gas for the benefit of consumers in a way which is efficient and considerate of the environment.

Where an asset is no longer required, we will aim to decommission the site to eliminate ongoing maintenance costs and reduce the risk of a detrimental impact to the environment.

Where our work impacts the lives of local people, we will aim to minimize disruption, allowing residents to live and work unaffected by our activities.

We strive to achieve minimal adverse environmental impacts across all our operations, while also seeking ways to enhance the local environment.

Our overall ambition is to protect the environment and act sustainably every day.

Our **Environmental Action Plan²** and targets set out how we will demonstrate how we work together with our employees and stakeholders to reduce our impact on the environment.

It includes five pillars and 30 commitments which help us to measure how we are doing.

1. Air Quality,
2. Climate Change,
3. Responsible Asset Use,
4. Caring for the Natural Environment,
5. Leadership for Change.

Natural gas contributes a third of the UK's carbon budget and, as such, National Gas is a key enabler for the UK Government to reach its net zero goals.

As such, we are committed to developing a business model that is consistent with the objectives of the Paris Agreement.

We have a commitment to achieve net zero by 2050 with an ambition of 2040, for scope 1 and 2 emissions.

A bespoke decarbonisation strategy and glidepath to net zero were completed in October 2023.

Furthermore, we are looking to the future by developing the hydrogen transmission system of tomorrow – building the capability and flexibility required for a clean energy future.

Our gas transmission specialists are creating the infrastructure to transport low-carbon hydrogen as a replacement for natural gas, and to transport carbon dioxide for carbon capture usage and storage (CCUS).

By applying our expertise to develop the energy systems of the future, we are proud to play a leading role in delivering the UK's net zero ambitions.

We deliver sustainable social impact, promoting the wellbeing of our people and adding value to both the communities within which we operate and wider society.

Our overall ambition is to support those who are part of, or are impacted by, our business, and act with a social conscience in everything we do.

We deliver this through a range of activity streams including an established employee volunteering and giving programme including corporate matching, our Community Grant Fund scheme, our 0.3% major project community funding business plan commitments, our Loneliness Initiative, and our Community of Interest group for colleagues.

Additionally, we have a corporate charity partnership with Barnardo's in which we aim to raise £100,000 for the cause by March 2026, as well as a £50,000 community partnership with The Albion Foundation.

We also work with leading organisations on social impact to ensure our strategies delivering meaningful impact in the areas that need it most, such as Business in the Community.

We have a focus on building a future skills and education strategy that inspires young people into STEM education and careers, helping to facilitate the threat of a skills shortage and widen the STEM talent pool.

² <https://www.nationalgas.com/document/144461/download>

5. An overview of our key topics

System efficiency and long-term value for money

Data and digitisation

Our **Digitalisation Strategy**³ will help us to make the right decisions and support the real-time operation of the network through RIIO-GT3.

It will incorporate a new platform that will bring together data from across our business units into a highly capable system - improving how we analyse, handle and

share data, accelerating our operations and unlocking operational efficiencies and benefits to customers.

Our data is essential to every decision we make, from guiding our asset management strategy to supporting the real time operation of the network.

Data is also key to many of the services we provide to network users and enables us to deliver value to our stakeholders.

We will continue to exploit data to make the right decisions, such as guiding our asset management strategy and supporting the real time operation of the network across RIIO-GT3.

Timetable

Draft BPDT submission date	31 July
Draft EJP submission date	
Draft CBA submission date	
Business Plan Overview documents published on our website	12 August
Stakeholder consultation window	12 August to 11 September
Final Business Plan submission	11 December
Final Business Plan published online	18 December
Open Call for Evidence	18 December
Close Call for Evidence	10 February 2025
RIIO-GT3 price control period	April 2026 to March 2031



Share your views with us

Scan or click the QR code to complete our online form, or email your feedback to box.RIIOGT3@nationalgas.com

[click here](#)

The consultation period is now open and runs until 11 September 2024.

³ <https://www.nationalgas.com/document/145391/download>





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