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Additional C9 Report to Authority

A report in accordance with
Standard Condition C9 for 2025–
2026.

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Contents

Executive Summary.....	3
Introduction and Process Overview	5
Review of Suggested changes.	7
Dynamic Response; Proposal to apply ABSVD to Non-BMU's.....	7
Slow Reserve.....	7
Quick Reserve.	8
Proposals for Procurement Guidelines Statement Review 2025-2026.....	10
1.05 Demand Flexibility Service.....	12
Proposals for the ABSVD Methodology Statement Review 2025-2026.....	13
2.05 Balancing Services for Inclusion in ABSVD (Non-BMU)	16
2.06 ABSVD Calculation for Non-BM Providers	17
2.09 ABSVD Providers for Applicable Reserve Balancing Services from Non-BM Providers.....	18
2.10 Updates to Dispute Resolution	19
Proposals for the Balancing Principles Statement Review 2025-2026.....	20
Proposals for the Balancing Services Adjustment Data Methodology (BSAD) Statement 2025-2026	22
The Consultation Questions.....	24
Responses to the Consultation.....	26
Next Steps.....	26

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Executive Summary

In accordance with the requirements of Condition C9 of the NESO Electricity System Operator Licence, NESO have conducted a further review of the C9 statements. This report details NESO engagement with industry throughout this review and the proposed changes to the 2025–2026 C9 Statements.

The following statements form the focus of this additional C9 review;

- The Procurement Guidelines Statement (PGS)
- Applicable Balancing Services Volume Data Methodology Statement (ABSVD)
- Balancing Principles Statement (BPS)
- Balancing Services Adjustment Data Methodology Statement (BSAD)

Although there are no changes proposed by NESO to the System Management Action Flagging Methodology Statement (SMAF) in this additional review, industry were invited to provide feedback on any changes they felt necessary.

NESO's proposed key focus areas of the five statements for review are:

- Addition of Quick Reserve reflecting the launch of the non-Balancing Mechanism service later this year.
- Addition of Slow Reserve reflecting the launch of the service later this year.
- Updates to the text for Dynamic Response services, reflecting the reform of applying ABSVD to Non-BMUs.

The changes to the C9 statements are detailed in the "Review of Suggested Changes" section of this report and will be effective as of 25 June 2025, unless the Authority issues a direction for statement changes to become effective earlier or to be vetoed.

NESO would like to invite the Authority to review this report and track changed statements and provide direction on or before 25 June 2025.

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If you have any questions about this document, please contact

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Please note that consequential changes resulting from modifications to GB industry codes, stakeholder suggestions and upcoming regulatory changes that are not captured here will be actioned either in future annual reviews, or individual statement reviews, as appropriate.

Penny Garner

Market Frameworks Senior Manager

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Introduction and Process Overview

The Review

In accordance with Standard Condition C9 of the NESO Electricity System Operator Licence, NESO has concluded its annual review of all licence statements with the updated statements being approved by the Authority and effective as of 1st April 2025.

This report details the process of a further review carried out by NESO in addition to the annual review because of changes required after the annual industry consultation had been concluded. This additional consultation ensures alignments with the Reserve services launch and reform of Response services.

To align timelines, NESO have conducted this additional review alongside the EBR Article 18 (A18) Consultation for Dynamic Response, a decision which was taken to ensure alignment and co-ordination of the Authority decision on these changes with the additional C9 review process, more details can be found in Ofgem's decision letter¹.

NESO invite the Authority to review proposed changes. If the Authority chooses to exercise their powers of veto for these proposed changes to the C9 statements, the existing versions will remain in place. Alternatively, the proposed changes become effective by 25 June 2025, unless issued a direction by the Authority for statement changes to become effective earlier or vetoed.

Consultation

The initial step in the review process is to publish consultation documents on the NESO website outlining the changes proposed and providing updated tracked change versions of the statements as part of the C9 licence condition. This consultation provides industry with the opportunity to review recommended text changes in the statements. This additional consultation ran for 31 days closing on 7 April 2025.

We made the decision to join these ad hoc C9 and A18 Consultations, due to the interdependency of the ABSVD change for Dynamic Response. A joint Consultation

¹ [Direction to NESO adjusting statutory timelines for C9 | Ofgem](#)

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alongside the direction from Ofgem to extend the usual submission deadline for the C9 Report to Authority will enable Ofgem to provide a decision on both proposals on the same date.

This aims to minimise the risk of the change being accepted in only one of the two Consultations and align the outcomes. Furthermore, this approach will reduce the number of Consultations industry are required to respond to, as only one response was required for all the relevant changes within the joint C9 and A18 Consultation².

This report will cover only the C9 portion of the joint consultation, details of the A18 submission can be found in the Dynamic Response ABSVD A18 Submission Document³.

Report to Authority

The next step in the review process is for NESO to document, in the form of a report, NESO's final position on the changes proposed during the consultation. This is supplied to the Authority alongside tracked change versions of the statements and includes, in a clear and transparent way, all industry responses and NESO's view for each of these.

In accordance with the direction provided by Ofgem on 05 March 2025⁴ NESO launched a joint C9 consultation introducing changes for Quick Reserve Phase 2 launch as well as C9 changes for ABSVD for Response. As a result of this, the normal statutory period for submission of the Report to authority has been extended.

NESO will now submit the report to authority on 28 May 2025 with a direction expected from Ofgem on or before 25 June 2025. This allows Ofgem to publish decisions on the proposed amendments to both the C9 Statements and the T&C at the same time.

Authority Decision and Statement Go Live

The following step in the review process is for the Authority to review all the documents submitted to them in the preceding step.

² <https://www.neso.energy/document/356711/download>

³ <https://www.neso.energy/document/359721/download>

⁴ [Direction to NESO adjusting statutory timelines for C9 | Ofgem](#)

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As part of the Licence Condition, Ofgem have 28 days to offer a direction or challenge the submission. If Ofgem do not veto the changes, then the statements will be live on the NESO website on 25 June 2025. If Ofgem do veto, then there are two different directions for the statements to go live, Ofgem can either direct NESO to make a specific change or they can request NESO run a further consultation on the specific issues they have identified which may push back the live date of the statement.

Review of Suggested changes.

For context, we have provided some information relating to the services that are being updated as part of this annual review.

Dynamic Response; Proposal to apply ABSVD to Non-BMU's.

We propose to apply ABSVD to Non-Balancing Mechanism Units (Non-BMUs) in the Dynamic Response Market. We believe this will remove distortion in the market where currently ABSVD is only applied to some market participants.

ABSVD prevents the energy dispatched in providing balancing services from facing imbalance adjustments with associated payments. The effect is to deliver a comparative advantage for BMU participants in the High response services and a disadvantage for them in the Low response services. It conversely provides a comparative advantage for Non-BMU market participants in the Low response services and a disadvantage for them in the High response services.

Slow Reserve.

Reserve is needed for frequency management when there is an imbalance between supply of energy and demand for energy.

When instantaneous supply is not enough to meet the demand, the frequency falls; where supply outstrips demand, the frequency rises. Additional generation or demand is needed to re-establish this balance. Initially, this is provided by Frequency Response which initiates automatically according to system frequency. Reserve is then instructed to replace the energy delivered by frequency response in accordance with system requirements.

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Slow Reserve (SR) is primarily aimed at reacting to post-fault disturbances to restore energy imbalances to $\pm 0.2\text{Hz}$ within 15 minutes of a loss event (generation or demand). For Negative Slow Reserve (NSR), units are instructed to increase demand or decrease generation in full within 15 minutes. The inverse is true for Positive Slow Reserve (PSR). Slow Reserve is open to any technology with the ability to provide a net change in demand/generation of at least 1MW.

The Slow Reserve service is planned to go live later in Summer 2025, more details can be found on the service and associated consultations on the Slow Reserve homepage.⁵

Quick Reserve.

System conditions are changing, and faster-acting services procured closer to real-time are required to restore frequency to within statutory limits within 60 seconds, recover frequency to within operational limits within 15 minutes, and to respond to transient supply demand imbalances that take pre-fault frequency close to operational limits.

Quick Reserve, separated into Negative Quick Reserve (NQR) and Positive Quick Reserve (PQR), is aimed primarily for reacting to pre-fault disturbances to restore the energy imbalance quickly and return the frequency close to 50.0 Hz.

Ofgem approved phase one of the Quick Reserve (QR) Service, and it went live on the Enduring Auction Capability (EAC) platform on 19 November 2024, with the first auction taking place on 3 December 2024.

To take part, providers need to prequalify by creating their assets and units in the Single Markets Platform and complete pre-qualification for the service. Key guidance and demos for the SMP can be found on this page.

We are now developing the proposed service and procurement design for the enduring (Phase 2) Quick Reserve service, incorporating both BM (Balancing Mechanism) and non-BM (non-Balancing Mechanism) market participants, with the service design going out for consultation in January 2025.

⁵ <https://www.neso.energy/industry-information/balancing-services/reserve-services/slow-reserve>

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More information on the changes to Quick Reserve can be found on the Quick Reserve home page⁶.

⁶ <https://www.neso.energy/industry-information/balancing-services/reserve-services/quick-reserve>

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Proposals for Procurement Guidelines Statement Review 2025–2026

The Procurement Guidelines set out the kinds of Balancing Services which we may be interested in purchasing, together with the mechanisms by which we envisage purchasing such Balancing Services. It acts as a generic statement of the procurement principles we expect to follow.

We have proposed the following updates to the Procurement Guidelines to reflect the changes to Balancing Services:

- Addition of text relating to Slow Reserve because of the planned service launch later in 2025
- Addition of text relating to Quick Reserve ahead of planned changes to the service in Summer 2025.

General updates to formatting, spelling, grammar and link updates as normal.

Industry Response

Industry response to the changes proposed to the Procurement Guidelines has been favourable. One respondent suggested changes to the wording for the Demand Flexibility Service, NESO have considered this and feel that the proposed change adds clarity to the transition of Demand Flexibility Service to a year-round service. As such we have proposed a change to the wording. NESO would like to invite Ofgem to review this proposed change during the direction.

The layout to these changes is summarised in Table 1 below:

Please see updated tracked change document “Procurement Guidelines Statement v28” draft for detail of the changes below:

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<https://www.neso.energy/industry-information/codes/balancing-settlement-code-bsc/c9-statements-and-consultations#C9-Consultations>

Table 1

ID	Section	Page Number(s)	Overview of proposed change
1.01	Version Control	1-2	Updated version in the version text box
1.02	Housekeeping	1-52	Dates amended, web links checked and updated, email addresses updates post NESO IT migration.
1.03	Commercial Ancillary Services we expect to procure	21	NESO have added detail relating to the introduction of Quick Reserve for Non-BM Participants in summer 2025. This information also updates industry on the plan for utilising OBP for dispatch and control.
1.04	Commercial Ancillary Services we expect to procure	22	NESO have inserted text detailing the Slow Reserve service ahead of its projected launch in Summer 2025. NESO expects the addition of the text at this point provides industry clarity and certainty on the procurement plans for the service going forward.
1.05	Demand Flexibility Service	29	Updates to text, see explanation below.

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1.05 Demand Flexibility Service

Procurement Guidelines v28

In September 2024, Our winter outlook indicated system margins were adequate and within the Reliability Standard. This meant there was not the same operational need for DFS as in previous years. We saw a case to continue to harness the value of demand flexibility. We transitioned DFS from an enhanced action to an in-merit margin tool. This is to ensure that a route to market exists for the volume participating in DFS. It is a transitional product for manual flexibility until Market-wide Half-Hourly Settlement. Procurement is now within-day only and DFS volume is compared alongside BM actions and Interconnector flow trades to meet the demand margin requirement issued by ENCC.

Procurement Guidelines v28 changes post consultation

In September 2024, Our winter outlook indicated system margins were adequate and within the Reliability Standard. This meant there was not the same operational need for DFS as in previous years. We saw a case to continue to harness the value of demand flexibility. We transitioned DFS from an enhanced action to an in-merit margin tool. This is to ensure that a route to market exists for the volume participating in DFS. It is a transitional product for manual flexibility until Market-wide Half-Hourly Settlement. Procurement is now within-day only and DFS volume is compared alongside BM actions and Interconnector flow trades to meet the demand margin requirement issued by ENCC.

NESO also secured regulatory approval for a multi-year service which will enable DFS to continue until March 2027. |

During the consultation NESO received feedback asking us to consider updating the text for Demand Flexibility Service (DFS) to reflect the current regulatory approval timelines for the service. NESO have considered this feedback and feels it adds additional clarity to industry, as such NESO have proposed the above insertion to the text for this service.

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Proposals for the ABSVD Methodology Statement Review 2025–2026

The Applicable Balancing Services Volume Data Methodology sets out the information on Applicable Balancing Services that will be taken into account for the purposes of determining imbalance volumes.

The amendments proposed are:

- Addition of Non-BM Quick Reserve
- Addition of Non-BM Slow Reserve
- Addition of Non-BM Frequency Response Service (DC, DM, DR)
- General updates to formatting, spelling, grammar and link updates as normal.

Please see tracked change document “ABSVD Methodology Statement v20” draft for detail of the changes.

<https://www.neso.energy/industry-information/codes/balancing-settlement-code-bsc/c9-statements-and-consultations#C9-Consultations>

Industry Response

The response received from industry to the proposed changes is favourable. As experienced during the annual consultation, industry is keen to ensure changes to the ABSVD statement align with updates to the BSC following the outcome of Issue Group 114. As ever, NESO is keen to assure industry and Ofgem that the methodology will be updated in line with the findings of Issue Group 114 once that has concluded. In the interim, NESO will continue to propose changes to the ABSVD Methodology in line with the current provisions and services. As a result of feedback from industry during the consultation process, NESO have proposed additional changes to the ABSVD statement. NESO would like to invite Ofgem to review this proposed change during the direction, details of the changes, with accompanying screenshots can be found below.

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NESO have provided detailed responses to the individual concerns raised, these are detailed in Annex A Responses Ad Hoc C9 2025-2026.

The layout of the proposed changes being made to ABSVD are detailed in Table 2 below:

Table 2

ID	Section	Page Number(s)	Overview of proposed changes
2.01	Version Control	1-2	Updated version in the version text box
2.02	Housekeeping	1-34	Dates amended, web links checked and updated, email addresses updated following NESO IT migration
2.03	BM ABSVD Applied	11	Negative Slow Reserve and Positive Slow Reserve have been added to the table of services which are automatically included in the imbalance volume via the BOA process – NESO feels the inclusion here makes it clear to industry that no ABSVD will be required.
2.04	Part C: Applicable Balancing Services Volume Data “ABSVD” for non-bm providers	12/13	Quick Reserve and Slow Reserve and Frequency Response Services (DC, DM, DR) have been added to the table “Non-BMU ABSVD Applied” to reflect that these services will be included in the

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			calculation of ABSVD and outlining the relevant data volume source.
2.05	Balancing Services for inclusion in ABSVD	13	Removal of text relating to calculation of ABSVD for Frequency Response
2.06	ABSVD Calculation for Non-BM Providers	15	Updates to text to reflect the services the calculation relates to – see extended explanation below.
2.07	ABSVD Calculation for Non-BM Providers	15	In line with the service design and to provide clarity, Quick and Slow reserve have been added to the list of services whose collared delivered volumes are based on delivered volumes.
2.08	ABSVD Providers for Applicable Reserve Balancing Services from Non-BM Providers	17	Updates to text to reflect the services the calculation relates to – see extended explanation below.
2.09	ABSVD Providers for Applicable Reserve Balancing Services from Non-BM Providers	17	Updates to text to reflect the services the calculation relates to – see extended explanation below.
2.10	Updates to references to Electricity Arbitration Association	26,33	Updates following CMP436 and CMP437 implemented 3 rd April 2025

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As a result of feedback received from industry, NESO have proposed additional changes to the ABSVD Statement following the close of the consultation, these are outlined below.

2.05 Balancing Services for Inclusion in ABSVD (Non-BMU)

ABSVD Methodology Statement v20 Consulted	ABSVD Methodology Statement v20 changes post consultation
<p>relevant Commercial Services Agreement.</p> <p>ABSVD will not be calculated for Frequency Response services with Non-BM Providers under this methodology, save for the services listed above.</p> <p>For the avoidance of doubt a consultation will be carried out prior to</p>	<p>for eligible non-BM providers and calculation in accordance with the relevant Commercial Services Agreement.</p> <p>ABSVD will not be calculated for Frequency Response services with Non-BM Providers under this methodology, save for the services listed above.</p> <p>For the avoidance of doubt a consultation will be carried out prior to</p>

NESO have proposed deleting the note above as it is superfluous with the potential to cause confusion to industry as there is an inconsistency between the non-BM ABSVD applied table and the notes below.

The table "Non-BM ABSVD Applied" clearly outlines the Applicable Balancing Services contracts with Non-BM Providers that will be included in the ABSVD calculation, and it is this table that industry should use.

The notes below the table are designed to add clarity rather than re-state information that is already found in the table.

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2.06 ABSVD Calculation for Non-BM Providers

ABSVD Methodology Statement v20 Consulted

2. ABSVD Calculation for Non-BM Providers

The imbalances associated with an Applicable Balancing Service provided by a Non-BM Provider (the Balancing Service Provider (BSP)) are attributed to the relevant Supplier (the Balancing Responsible Party (BRP)). An adjustment will be made to the BRP's imbalance account to ensure this takes into account the volumes provided to NESO under an Applicable Balancing Services contract with a Non-BM Provider. ELEXON will calculate Non BM Unit ABSVD for each impacted BRP in accordance with the BSC, which will be used to correct BRP imbalance positions.

The Non-BM ABSVD volumes will take the form of delivered volumes of Applicable Balancing Services, collared at the instructed amount, by MSID pair and by settlement period. The requirement to provide the necessary data to meet these requirements will be part of the contract terms for each Applicable Balancing Service. For STOR, Quick Reserve and Slow Reserve these collared delivered volumes will be based on metered delivered volumes known as "backing data" sent by NESO to the provider.

When NESO receives this data, they will validate the volumes by confirming that they do not exceed the total instructed volume. These will then be passed to Elexon who will then neutralise them against the relevant Supplier Energy Account. Any volumes outside those relating to the Applicable Balancing Service (i.e., over-delivery) will not be part of this data pass-through and therefore these volumes will not be applied to the relevant Supplier's account for imbalance neutralisation.

ABSVD Methodology Statement v20 changes post consultation

2. ABSVD Calculation for Non-BM Providers for Applicable Reserve Balancing Services,

The imbalances associated with an Applicable Reserve Balancing Service provided by a Non-BM Provider (the Balancing Service Provider (BSP)) are attributed to the relevant Supplier (the Balancing Responsible Party (BRP)). An adjustment will be made to the BRP's imbalance account to ensure this takes into account the volumes provided to NESO under an Applicable Reserve Balancing Services contract with a Non-BM Provider. ELEXON will calculate Non BM Unit ABSVD for each impacted BRP in accordance with the BSC, which will be used to correct BRP imbalance positions.

The Non-BM ABSVD volumes will take the form of delivered volumes of Applicable Reserve Balancing Services, collared at the instructed amount, by MSID pair and by settlement period. The requirement to provide the necessary data to meet these requirements will be part of the contract terms for each Applicable Reserve Balancing Service. For STOR Quick Reserve and Slow Reserve these collared delivered volumes will be based on metered delivered volumes known as "backing data" sent by NESO to the provider these collared delivered volumes are calculated based on metered volumes and the applicable volumes are reported in "backing data" sent by NESO to the provider.

When NESO receives this data, they will validate the volumes by confirming that they do not exceed the total instructed volume. These will then be passed to Elexon who will then neutralise them against the relevant Supplier Energy Account. Any volumes outside those relating to the Applicable Reserve Balancing Service (i.e., over-delivery) will not be part of this data pass-through and therefore these volumes will not be applied to the relevant Supplier's account for imbalance neutralisation.

NESO have additionally proposed adding a clarification to Section 2 "ABSVD Calculation for Non-BM Providers", the insertion of the words "for Applicable Reserve Balancing Services" into this title and the incidences in the paragraph below adds additional clarity to the types of services the paragraphs relate to.

NESO have also updated the sentence relating to collared delivered volumes following industry feedback received as part of the consultation which can be found in Annex A.

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2.09 ABSVD Providers for Applicable Reserve Balancing Services from Non-BM Providers

ABSVD Methodology Statement v20 Consulted

3. ABSVD provision for Applicable Balancing Services from Non-BM Providers

For Applicable Balancing Services delivered by Non-BM Providers, ABSVD data in the form of collared delivered volumes by MSID pairs will be submitted by NESO to Elexon following the receipt of the data from the provider in accordance with Section Q of the BSC 6.4. Section Q of BSC 6.4 states the associated MSID Pair Delivered Volume in accordance with paragraph 6.4.9, and such MSID Pair Delivered Volume shall be sent to the SVAA by the fifteenth day after such Settlement Day to the extent such data has been received by the NETSO, and in any event by the forty fifth day after such Settlement Day.

4. Re-submission of ABSVD

In the event that an error is identified in this data, the data will be re-submitted and corrected, as soon as reasonably practicable, but not later than the Final Reconciliation Run, once the corrected data is available.

ABSVD Methodology Statement v20 changes post consultation

3. ABSVD provision for Applicable Reserve Balancing Services from Non-BM Providers

For Applicable Reserve Balancing Services delivered by Non-BM Providers, ABSVD data in the form of collared delivered volumes by MSID pairs will be submitted by NESO to Elexon following the receipt of the data from the provider in accordance with Section Q of the BSC 6.4. Section Q of BSC 6.4 states the associated MSID Pair Delivered Volume in accordance with paragraph 6.4.9, and such MSID Pair Delivered Volume shall be sent to the SVAA by the fifteenth day after such Settlement Day to the extent such data has been received by the NETSO, and in any event by the forty fifth day after such Settlement Day.

4. ABSVD Calculation and Submission for Non-BM Providers for Applicable Response Balancing Services

ABSVD will be calculated for Frequency Response services (DC, DM, DR) with Non-BM Providers under this methodology using expected volumes.

~~4.~~ Re-submission of ABSVD

In the event that an error is identified in this data, the data will be re-submitted and corrected, as soon as reasonably practicable, but not later than the Final Reconciliation Run, once the corrected data is available.

NESO propose adding a clarification to Section 3 “ABSVD Provision for Applicable Reserve Balancing Services from Non-BMU Providers”, the insertion of the word “Reserve” into this title adds additional clarity to the types of services the following paragraphs relate to.

NESO have further proposed the addition of Section 4 “ABSVD Calculation and Submission for Non-BM Providers for Applicable Response Balancing Services” the addition of the paragraph clearly details how submission is calculated for Response services in relation to the methodology to avoid confusion with other service types.

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2.10 Updates to Dispute Resolution

ABSVD Methodology Statement v20 changes post consultation P26

2. Disputes

A dispute arises where the Lead Party of the relevant BM Unit disagrees with the value of QAS_{ij} notified by NESO. Where such a dispute arises, a representative of NESO and each BSC Party concerned who has authority to resolve the dispute shall meet (including by agreement by telephone) within 10 Business Days of a request by either party (or within such longer period as may be agreed, acting reasonably) and seek to resolve it. If the parties to the dispute are unable to resolve it within 10 Business Days of the meeting (or within such longer period as they may agree within that initial 10 Business Day period, both parties acting reasonably as to the length of the period), then the parties' obligations under this paragraph to undertake such discussions shall no longer apply in relation to that dispute. Either party may then refer the dispute to arbitration pursuant to the rules of the Electricity Arbitration Association - London Court of Arbitration in force from time to time.

ABSVD Methodology Statement v20 changes post consultation P33

2. Disputes

2.1. Disputes relating to Non-BM Provider volumes passed to Elexon.

A dispute may arise relating to Non-BM Provider volumes passed to Elexon. Where such a dispute arises, a representative of NESO and the BSP concerned who has authority to resolve the dispute shall meet (including by agreement by telephone) within 10 Business Days of a request by either party (or within such longer period as may be agreed, acting reasonably) and seek to resolve it. If the parties to the dispute are unable to resolve it within 10 Business Days of the meeting (or within such longer period as they may agree within that initial 10 Business Day period, both parties acting reasonably as to the length of the period), then the parties' obligations under this paragraph to undertake such discussions shall no longer apply in relation to that dispute. Either party may then refer the dispute to arbitration pursuant to the rules of the Electricity Arbitration Association - London Court of Arbitration in force from time to time.

NESO received feedback during the consultation asking us to consider updating the references to Electricity Arbitration Association to London Court of Arbitration following the outcomes on CMP436 and CMP437. NESO welcomes this feedback and has made the updates suggested above.

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Proposals for the Balancing Principles Statement Review 2025–2026

The Balancing Principles Statement defined the broad principles and criteria (“The Balancing Principles”) used by NESO that will determine, at different times and in different circumstances, which Balancing Services it will use to assist in the operation of the transmission system and also to define when NESO would resort to measures not involving the use of Balancing Services.

The amendments proposed are:

- Addition of text relating to Slow Reserve
- General updates to formatting, spelling, grammar and link updates as normal

Please see the tracked change document for Balancing Principles:

<https://www.neso.energy/industry-information/codes/balancing-settlement-code-bsc/c9-statements-and-consultations#C9-Consultations>

Industry Response

Detailed responses to the submissions made can be found in supporting annex: Annex A Responses Ad Hoc C9 2025–2026. However, the response received in relation to the changes for the Balancing Principles Statement are favourable.

The layout proposed changes being made to Balancing Principles are detailed in Table 3 below:

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Table 3

ID	Section	Page Number(s)	Overview of proposed changes
3.01	Version Control	1-2	Updated version in the version text box
3.02	Housekeeping	1-43	Dates amended, web links checked and updated, updated to email addresses following NESO IT Migration
3.03	Response/Reserve Holding Principles	32	Slow Reserve has been added to the list of Reserve services NESO provides detail of in the Response/Reserve Holding Principles outline that the plans to procure Quick Reserve in-line with the principles detailed within this section of the Balancing Principles Statement

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Proposals for the Balancing Services Adjustment Data Methodology (BSAD) Statement 2025–2026

The Balancing Services Adjustment Data Methodology Statement (BSAD) sets out the information on relevant balancing services that will be taken into account under the Balancing and Settlement Code for the purposes of determining imbalance prices.

The amendments proposed to the BSAD Methodology Statement are:

- Insertion of Non-BM Quick Reserve
- Insertion of Non-BM Slow Reserve
- General updates to formatting, spelling, grammar and link updates as normal

Please see the tracked change document for BSAD:

<https://www.neso.energy/industry-information/codes/balancing-settlement-code-bsc/c9-statements-and-consultations#C9-Consultations>

Industry Response

Detailed responses to the submissions made can be found in supporting annex: Annex A Responses Ad Hoc C9 2025–2026. However, the responses received in relation to the changes for the BSAD Methodology are favourable.

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The proposed changes being made to BSAD are detailed in Table 5 below:

Table 5

ID	Section	Page Number(s)	Overview of proposed changes
5.01	Version Control	1-2	Updated version in the version text box
5.02	Housekeeping	1-21	Dates amended, web links checked and updated,
5.03	Balancing Service Adjustment Actions	10-11	In line with the service provision, Non-BM Quick and Non-BM Slow Reserve have been added into the list of balancing service adjustment actions which are provided through BSAD.

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The Consultation Questions

We invited industry to provide further feedback on the changes proposed to the five C9 statements. The consultation questions are summarised below:

Procurement Guidelines Statement

- 1) Do you object to the introduction of text relating to Quick Reserve on P21 to reflect plans to introduce Quick Reserve for Non-BM Participants? Please explain your rationale
- 2) Do you object to the insertion of text relating to Slow Reserve on P22 to reflect the planned service launch? Please explain your rationale
- 3) Do you have any further comments or amendments you would like to see made to the Procurement Guidelines?

Applicable Balancing Services Volume Data Methodology

- 1) Do you object to the insertion of Positive Slow Reserve into the table of Balancing Services with ABSVD applied on P11? Please explain your rationale.
- 2) Do you object to the insertion of Negative Slow Reserve into the table of Balancing Services with ABSVD applied on P11? Please explain your rationale.
- 3) Do you object to the insertion of Non-BM Quick Reserve into the Non-BM ABSVD Applied table on P12? Please explain your rationale.
- 4) Do you object to the insertion of Non-BM Slow Reserve into the Non-BM ABSVD Applied table on P12? Please explain your rationale.
- 5) Do you object to the insertion on Non-BM Frequency Response Services (DC,DM, DR) into the Non-BM ABSVD Applied table on P13? Please explain your rationale.
- 6) Do you object to the insertion of Quick Reserve into the list of services whose collared delivered volumes will be based on metered delivered volumes on P15 under ABSVD Calculation for Non-BM Providers? Please explain your rationale.
- 7) Do you object to the insertion of Slow Reserve into the list of services whose collared delivered volumes will be based on metered delivered volumes on P15 under ABSVD Calculation for Non-BM Providers? Please explain your rationale.
- 8) Do you have any further comments or amendments you would like to see made to the ABSVD Statements?

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Balancing Principles Statement

- 1) Do you object to the inclusion of wording relating to Slow Reserve on P32? Please explain your rationale.
- 2) Do you have any further comments or amendments you would like to see made to the BPS Statement?

Balancing Services Adjustment Data

- 1) Do you object to the inclusion on Non-BM Quick Reserve into the list of Balancing Service Adjustment Actions on P10/P11? Please explain your rationale.
- 2) Do you object to the inclusion on Non-BM Slow Reserve into the list of Balancing Service Adjustment Actions on P10/P11? Please explain your rationale.
- 3) Do you have any further comments or amendments you would like to see made to the BSAD Statement?

Public

Responses to the Consultation

We received 5 responses from industry stakeholders for the formal C9 consultation following industry engagement across various workstreams.

Next Steps

Following the close of the industry consultation, NESO presents to Authority for consideration, revised versions of the C9 statements supporting the changes outlined in this report.

The Authority is invited to review the proposed changes and offer any direction or feedback by 28 June 2025. If the Authority does not approve these proposed changes to the C9 statements, the existing versions will remain in place. Subject to Authority veto/direction, the proposed changes will become effective from 25 June 2025, unless directed earlier by the Authority.