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Summer 2026

NESO Negative Margin Order of Actions

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Context

The Order of Action is agreed by NESO Executive Leadership Team to provide a clear direction for external customers on the actions the ENCC will take to manage margins.

In the past, a Winter order of actions has been circulated focusing on positive margins, but as ENCC is encountering lower demands due to the rise in embedded generation, it is prudent to publish the actions which will be taken to manage negative margins and create additional foot room.

The ‘negative margin order of action’ was prepared in advance of Summer 2025 and supplements the Winter order of actions ‘positive margin actions’ and is summarised in the tables on the following slides:

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Everyday Actions 1/2

NESO has a range of commercial and operational options available to operate the system under normal conditions.

Actions	Order	Impact
Reconfigure Transmission Network Change substation running arrangements, Tap Quad Boosters, and enhanced ratings	Normal Practice No cost	Changing daily operating conditions can result in different network configuration needs to support operations.
Review and refine negative reserve requirement on system conditions	#1 Based on Cost	Changing system conditions can relieve **Or** increase requirements for negative reserve. This can change at any time as system conditions change.
All deliverable Bid action on all available Balancing Mechanism (BM) participants	#1 Based on Cost	Scheduled from Day Ahead, action taken in real time & can utilise all volumes including storage.

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Everyday Actions 2/2

NESO has a range of commercial and operational options available to operate the system under normal conditions.

Actions	Order	Comments
Sell energy to continental Europe on Interconnectors	#1 based on Cost	Scheduled from Day Ahead, action taken from Day Ahead to 4hrs ahead of time by NESO Traders.
Activate Super Stable Export Limit (SEL) service	#1 based on Cost	On specific plant with available contracts. Notice period required in line with contract position but scheduled from Day Ahead.
DFS (Instruct Demand Flexibility product)	#1 based on Cost	To increase transmission system demand through Demand Flexibility Service.

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Enhanced Actions

If everyday actions are insufficient NESO can use a range of enhanced actions as the next priority

Actions	Order	Comments
Recall Transmission Owner (TO) assets from outage	#2	Anytime through to control room timescales, depending on ERTS (Emergency Return to Service) time, and impact on the challenge being addressed.
System Operator (SO)-SO trade	#2	SO-to-SO trade with neighbouring interconnected TSOs, options are taken in cost order.
Net Transfer Capacity (NTC) restrictions & Intraday Trading Limits	#3	Required to ensure interconnectors flows remain within operational security limits. Used as a last resort after all commercial actions and system optimisations have been taken. Can be used for margin extremes when an interconnector flow can result in an NRAPM.
Use of Emergency Assistance (EA) from other SO	#4	Enacted close to real-time. Only applicable if capacity is available on interconnectors. EA can be withdrawn at any time.

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Emergency Actions

Should Enhanced Actions be insufficient, NESO has additional options available to be used in an emergency scenario

Actions	Order	Comments
Emergency Instruction to BMUs	#5	As per BC2.9.4 EI to exporting BM Units for De Synchronising on the basis of Bid-Offer Data Submitted. This could include inflexible assets, such as Nuclear units.
Emergency Instruction to other SO	#6	Only applicable if this does not cause negative margin issues in the interconnected countries.
Emergency Instruction to DNOs and Non-BMUs to take off Distributed Energy Resources (DERs)	#7	As per GC0147, OC6.7.1 and OC6B, each Network Operator will make arrangements that will enable disconnection or reduction on output of Customers on its User System under emergency conditions irrespective of frequency within 30 minutes. It must be possible to apply the embedded generation reduction to individual or specific groups of GSP(s), as determined by NESO. The Embedded Generation shall be grouped in to blocks of 50MW each, which shall be known as disconnection blocks.

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Negative Reserve Active Power Margin (NRAPM)

Notice to market that plant may be requested to turn down generation to maintain negative margins, so a response would be expected.

Likely to be issued at Day Ahead.

NRAPMs can be local or national.

To date a limited number of local NRAPMs have been issued, but none at a national level.