

Accuracy of System Management Action Flagging

May 2024 – April 2025

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Introduction

This report reviews the accuracy of the P217A flagging mechanism for the period 1st May 2024 – 30th April 2025, in accordance with the System Management Action Flagging (SMAF) methodology.

The purpose of P217A flagging is to remove actions that are taken by National Electricity System Operator (NESO) for system management issues from the cash out calculations of imbalance prices.

Examples of system management issues mainly faced by NESO are:

- Transmission Constraint
- Voltage Support
- Rate of Change of Frequency (RoCoF)

Out of merit actions using options in the Balancing Mechanism (BM) are often used to help NESO resolve system management issues. These actions do not constitute balancing actions taken by NESO to manage the imbalance of demand and supply in real time, hence system actions are flagged and removed from cash out calculations.

The P217A flagging mechanism was introduced on 5th November 2009. From 5th November 2015 the scope of system management issues that were subjected to P217A flagging was broadened to include:

- Balancing actions used by NESO primarily to manage the Rate of Change of Frequency (RoCoF), or to manage Fault Levels
- Automatic Low Frequency Demand Disconnection relay demand control action

To assess the accuracy of flagging, a statistical overview of Data Inquiry Reports (DIRs) produced during May 2024 to April 2025 is provided. A DIR is raised by the Control Room, or by post event analysis, or by market participants, when they are aware that the flagging of BOAs (Bid Offer Acceptances) for system (or energy) issues may have been incorrectly set. The DIRs are then investigated by the BM Liaison Team.

If analysis concludes that flag changes are required, the Balancing and Settlement Code Company (BSCCo) are notified via the BSCPI8 process and the requisite changes are processed ahead of a settlement run.

From June 2014, any flags associated with actions in the Balancing Mechanism can be retrospectively updated in settlements systems. This is carried out for actions on which DIRs have been raised or where an error has been identified.

Highlights

During the reporting period, a total of 1,660,734 BOAs were accepted, where 338,333 BOAs were system flagged, representing 20.37% of the total accepted BOAs.

A table containing a monthly breakdown of total accepted BOAs, total BOAs P217A flagged and the percentage of BOAs flagged is shown below in Table 1.

Month & Year	Total Number of BOAs Accepted	Total Number of BOAs P217A Flagged	% BOAs Flagged to P217A
May-2024	75571	8354	11.05%
Jun-2024	89852	22995	25.59%
Jul-2024	90440	11514	12.73%
Aug-2024	151956	48990	32.24%
Sep-2024	111414	24909	22.36%
Oct-2024	145613	37120	25.49%
Nov-2024	140006	28762	20.54%
Dec-2024	195942	45969	23.46%
Jan-2025	159826	20049	12.54%
Feb-2025	177272	38660	21.81%
Mar-2025	175985	34720	19.73%
Apr-2025	146857	16291	11.09%
Total:	1660734	338333	20.37%

Table 1: Monthly breakdown of total accepted BOAs

There were 153 DIRs raised in the reporting period, which led to a total of 569 BOAs being subjected to the BSCP18 process.

Most system flag amendments were for BOAs that should have been system flagged but went through as energy. There were 72 DIRs raised for BOAs that should have been energy flagged but went through as system, which involved a total of 214 BOAs.

Overall, 0.17% of the P217A BOAs flagged in the reporting period were the subject of a DIR process, giving a potential P217A flagging accuracy of 99.83%.

Table 2 shows the historic P217A flagging accuracy for the previous five reporting years.

Reporting Year	Flagging Accuracy
2019/2020	99.80%
2020/2021	99.50%
2021/2022	99.88%
2022/2023	99.88%
2023/2024	99.89%

Table 2: Flagging accuracy for previous reporting years

This report is under continuous review and development; if you have any comments or suggestions of information you would like to see in the future reports, please send an Email to:

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