

**Public**

Ref: FOI/25/089

National Energy System Operator

Faraday House

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Warwick

CV34 6DA

[InformationRights@neso.energy](mailto:InformationRights@neso.energy)

[www.neso.energy](http://www.neso.energy)

28 August 2025

Dear requester

**Request for Information**

Thank you for your request for information which we received on 5 August 2025. You have submitted this request in response to information we provided you with on 18 June 2025. We have enclosed our original response.

**Request**

You asked us:

*...do the brokers i.e., Eon, British Gas pay for the energy supplied by you. If so, how much and for what amount? As it seems to me it would be impossible for them to pre-empt how much each household would be using to purchase the right amount of energy.*

**Our response**

The Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004 (EIR) apply to recorded information held by NESO at the time that a request is submitted. We are not required to create new information in order to respond to these requests.

We can confirm that we do not hold recorded information in scope of your request.

This concludes our response to your request.

**Advice and assistance**

In our response dated 18 June 2025 we provided a link to information on our website about [electricity markets](#). We note that you have requested that our response to this new request be

provided to you by post. We have therefore copied sections of information from that webpage which may be of interest:

- **What markets exist across the electricity system?**

There are several markets operating across GB's electricity system, some of the key ones being:

- Wholesale electricity markets include the sale and purchase of electricity between suppliers and generators.
- Retail electricity markets involve suppliers selling electricity direct to homes and businesses.
- The balancing mechanism market is how NESO makes sure the amount of electricity being supplied matches the amount used in real time.
- Balancing services market includes the range of services NESO uses to ensure the security and quality of electricity supply across GB.

Your questions relate to the wholesale and retail markets:

- **What is the wholesale market?** The wholesale electricity market is where electricity producers (also known as generators) sell electricity to companies that supply it to homes and businesses (suppliers). In Great Britain, suppliers buy electricity from generators at a wholesale price. This price changes based on how much it costs to make the electricity needed to meet demand. There are three main ways to set these wholesale electricity prices. Currently, we use a system called national pricing, meaning there's a single wholesale electricity price for the country at any given time. The price of electricity changes throughout the day based on things like how much electricity people are using, carbon taxes, fuel costs, and how much wind and sun power is available. This can change which generators offer the cheapest electricity at different times, creating a competitive market.

Ofgem publishes information on the wholesale prices suppliers pay when purchasing electricity from generators: [Wholesale market indicators | Ofgem](#). This link is to the Ofgem website. You may wish to contact Ofgem for further information:

[information.rights@ofgem.gov.uk](mailto:information.rights@ofgem.gov.uk)

Information Rights Officer  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU.

- **What is the retail electricity market?** The retail electricity market is familiar to everyday customers. When we pay our electricity bills or chose which company supplies power to our homes, workplaces and communities, we're interacting with the retail electricity market. Retail

market interactions take place after suppliers buy electricity from generators in the wholesale market. They then sell it to their customers across Great Britain.

In our previous response we confirmed that NESO does not hold information relating to the sale of energy to brokers. An energy broker is an independent agent who helps to facilitate the purchase and sale of energy products, such as electricity, natural gas, and renewable energy credits. Energy brokers are not affiliated with a specific energy company or utility.

The companies you have mentioned in your request are examples of energy companies i.e., companies that individuals may purchase energy from. These are 'suppliers' rather than energy brokers.

NESO also does not sell energy to suppliers. Suppliers purchase electricity from generators (companies or power plants that generate electricity) on the wholesale market and sell to customers through the retail energy market.

NESO is neither a generator nor a supplier, our role is to manage the flow of electricity across the transmission network. The companies that own the transmission system are called Transmission Owners (TOs) and Distribution Network Operators (DNOs) provide the local cables to take electricity to homes and businesses.

### **Next steps**

If you are dissatisfied with our handling of your request, you can ask us to review our response. If you want us to carry out a review, please let us know within 40 working days and quote the reference number at the top of this letter. You can find our procedure here: [Freedom of Information and Environmental Information Regulations | National Energy System Operator](#). The ICO's website also provides guidance on the internal review process: [What to do if you are dissatisfied with the response | ICO](#).

If you are still dissatisfied after our internal review, you can complain to the Information Commissioner's Office (ICO). You should make complaints to the ICO within six weeks of receiving the outcome of an internal review. The easiest way to lodge a complaint is through their website: [www.ico.org.uk/foicomplaints](http://www.ico.org.uk/foicomplaints). Alternatively, they can be contacted at: Wycliffe House, Water Lane, Wilmslow, SK9 5AF.

Thank you for your interest in the work of the National Energy System Operator (NESO).

Regards,

The Information Rights Team, National Energy System Operator (NESO)

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18 March 2025

Dear requester

**Request for Information**

Thank you for your request for information which has been considered under the Freedom of Information Act 2000 (FOIA).

**Request**

You asked us:

*I am writing to request further clarification regarding the sale of electricity generated within the UK, specifically with respect to the distribution of energy to brokers... I am concerned about the transparency of how electricity is managed and distributed from the National Grid to energy brokers. Could you please provide proof that the energy produced is indeed being sold to brokers or intermediaries, and if possible, a breakdown of the processes or agreements that govern these transactions.*

**Our response**

The National Grid Electricity System Operator (NG ESO) was part of the National Grid PLC group of companies until 30 September 2024. On 1 October 2024, we became the National Energy System Operator (NESO) and came under government ownership as the Independent System Operator and Planner.

For information, NESO's key functions are:

- Coordinating and directing the flow of electricity over Great Britain's electricity system.

- Carrying out strategic planning and forecasting in across both the electricity and gas systems.
- Acting as an independent advisor, providing analysis and information to the Government and Ofgem.

NESO publishes information on electricity markets which you may find helpful: [Electricity markets explained | National Energy System Operator](#). Suppliers purchase electricity from generators on the wholesale market and sell to customers through the retail energy market. NESO is neither a generator nor a supplier.

We can therefore confirm that NESO does not hold information relating to the sale of energy to brokers.

This concludes our response to your request.

### **Advice and assistance**

Exelon provides a guide to electricity trading arrangements which you may find useful: [The Electricity Trading Arrangements A Beginner's Guide - Exelon Digital BSC](#).

You may wish to contact Great Britain's energy regulator, Ofgem, in relation to your request: <https://www.ofgem.gov.uk/information-requests>

The Department of Energy Security and Net Zero (DESNZ) ran a consultation on regulating third-party intermediaries (TOIs) in the energy retail market. The information in the press release and consultation description may be of interest:

- [New protections from rogue energy brokers - GOV.UK](#)
- [Regulating Third-Party Intermediaries \(TPIs\) in the retail energy market - GOV.UK](#)

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