

Public

# Markets forum Q&A

November 2025



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# Ask your questions

## Ahead of the forum

**Email us @** [Markets Engagement](#)

or

**Slido code** #MFNOV25



We welcome you to share any questions ahead of the session using either Slido or the email address on the slide

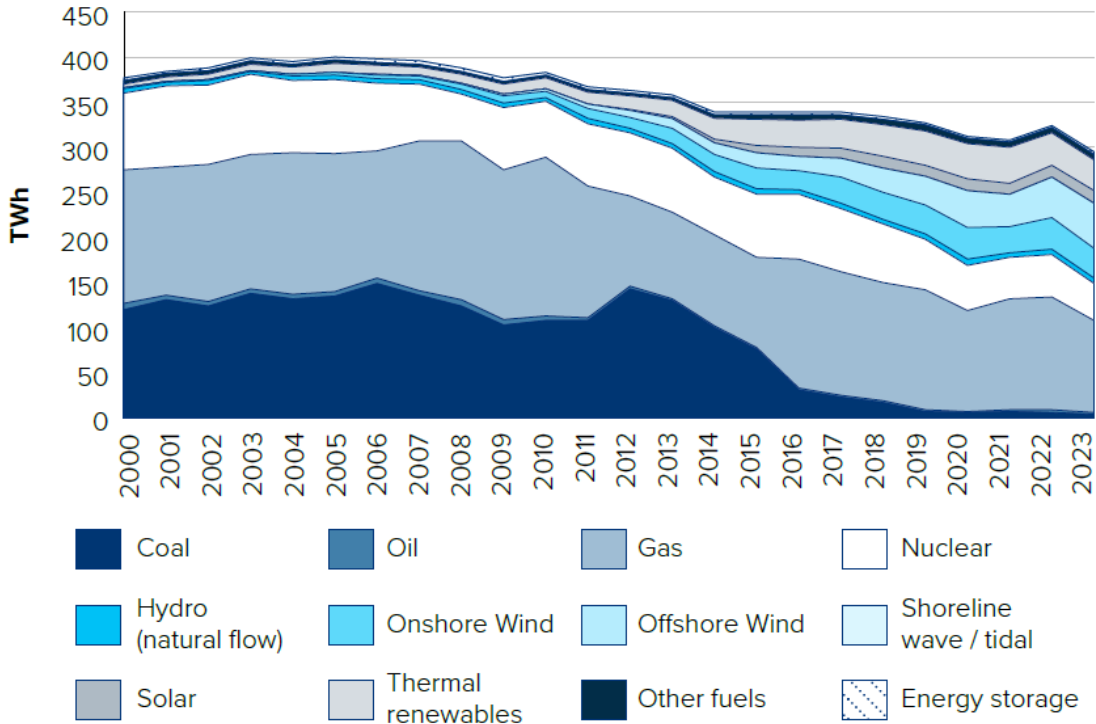
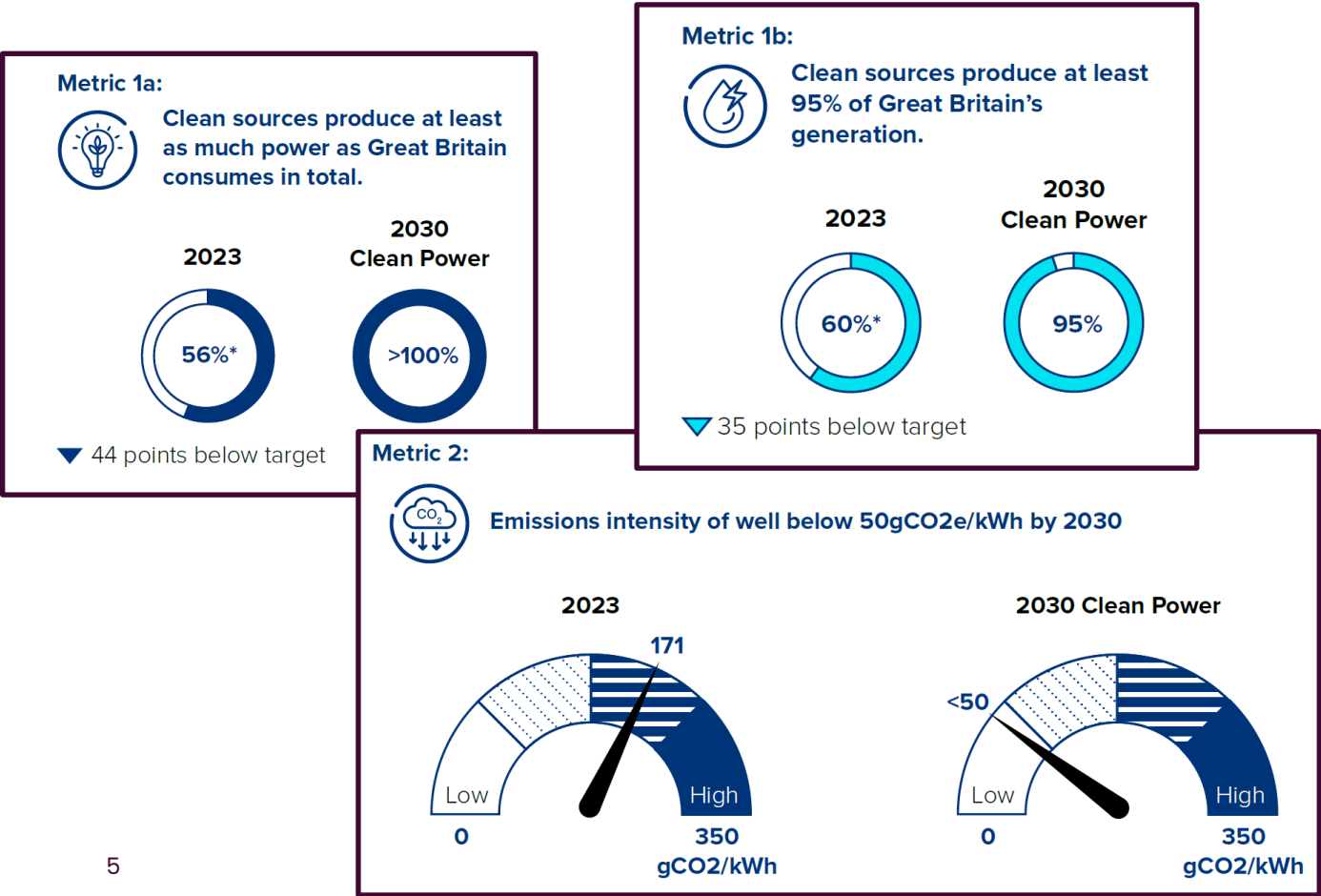
Alternatively, you can ask our Markets Team on the day

# Markets and Clean Power 2030



# What is the Ambition?

Last December, DESNZ’s [Clean Power Action Plan](#) set out the following CP30 success metrics.



While share of gas-fired generation must fall in TWh terms, c35GW of capacity is expected to still be required for security of supply

# Where are we now (as of Sep 2025)

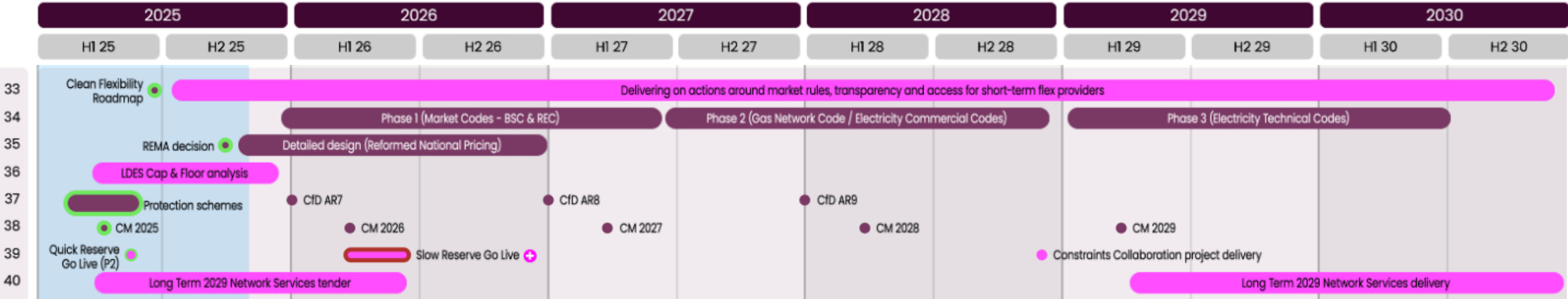
Measure 1a	2020	2021	2022	2023	2024
Total UK demand (Energy Trends table 5.2)	328,103	332,730	319,715	317,294	319,014
Northern Ireland demand (regional electricity article)	9,324	9,420	9,190	9,182	9,232
GB demand (UK minus Northern Ireland)	318,779	323,311	310,524	308,111	309,782
GB demand met by EfW & CHP [Note 5]	50,362	49,446	46,118	45,803	45,194
Qualifying GB demand (excl. that met by EfW & CHP)	268,417	273,865	264,406	262,308	264,588
GB generation from clean power sources (row 12 above)	169,053	153,225	166,790	161,365	168,359
Share of qualifying GB demand met by clean sources	63.0%	55.9%	63.1%	61.5%	63.6%

Measure 1b	2020	2021	2022	2023	2024
Fossil fuels (excl. Combined Heat & Power (CHP)) [note 3]	77,783	91,564	97,935	74,033	58,967
Nuclear	50,239	46,104	47,401	40,596	40,588
Renewables (excl. Energy from Waste (EfW), CHP)	118,814	107,121	119,390	120,769	127,771
Other (excl. EfW, CHP, storage discharges) [note 4]	1,368	1,092	1,220	925	778
Total generation (excl. EfW, CHP)	248,204	245,881	265,945	236,323	228,104
Total clean generation (excl. EfW, CHP)	169,053	153,225	166,790	161,365	168,359
Clean share of Great Britain's generation in period	68.1%	62.3%	62.7%	68.3%	73.8%

Measure 2	2020	2021	2022	2023	2024
Power sector emissions (excl. EfW), thousand tonnes of CO2 [Note 5] [Note 6]	31,448	35,973	38,996	28,909	22,701
Total supply (excl. EfW, CHP & storage discharges), GWh	235,793	233,587	252,647	224,507	216,699
Estimated power sector emissions intensity (g CO2/kWh)	133	154	154	129	105

# NESO CP30 Implementation Plan

KEY: NESO Accountability NESO and others Complete Delayed





**MARKETS**  
**Ongoing work to ensure that market reform initiatives align with CP30**  
Long term market reform is necessary and must be implemented in a way that continues to enable the significant investment needed for CP30

- 33 Work with DESNZ and Ofgem on Clean Flexibility Roadmap (incorporating NESO’s actions to enable more demand side flexibility)
- 34 Support energy code reform and help to identify the direction of future code changes
- 35 Support alignment of longer-term wholesale market reform activities with CP30 requirements (e.g. I/C redispatch, TNUoS, changes to ISP and Gate Closure)
- 36 Support the assessments of applications to the Long Duration Energy Storage (LDES) Cap & Floor Window 1 for projects to come online by 2030 and 2033
- 37 Manage CfD process including making operational changes to deliver policy updates and reform required for CP30 (e.g. AR7 protection schemes)
- 38 Manage the CM process including making operational changes to deliver policy changes and reform required for CP30 (includes adequacy modelling)
- 39 Launch new Ancillary Services required to support operation of a clean power system (e.g. operability and constraints management)
- 40 Long Term 2029 Network Services tender (simultaneous procurement includes provision of stability and reactive services at 0MW as well as restoration services)

# NESO CP30 Implementation Plan

The timeline on the previous slide shows the bulk of the new renewable generation needs to be delivered in the next two Contracts for Difference (CfD) windows and the Capacity Market (CM) needs to ensure that adequacy requirements can be met in new ways ( for example, lower gas load factors, Long duration energy storage (LDES), demand side flex etc). This must be done while designing a reformed market and stimulating the growth required in demand side flexibility.

More updates in relation to demand side flexibility can be found later in this pack.

Stakeholder engagement is vital for the ongoing delivery of CP30:

- 1. Ensures that the perspectives and needs of all relevant parties are considered**
- 2. Promotes transparency and accountability**
- 3. Facilitates the identification and mitigation of potential risks**

Please share your thoughts regarding CP30 engagement [here](#)

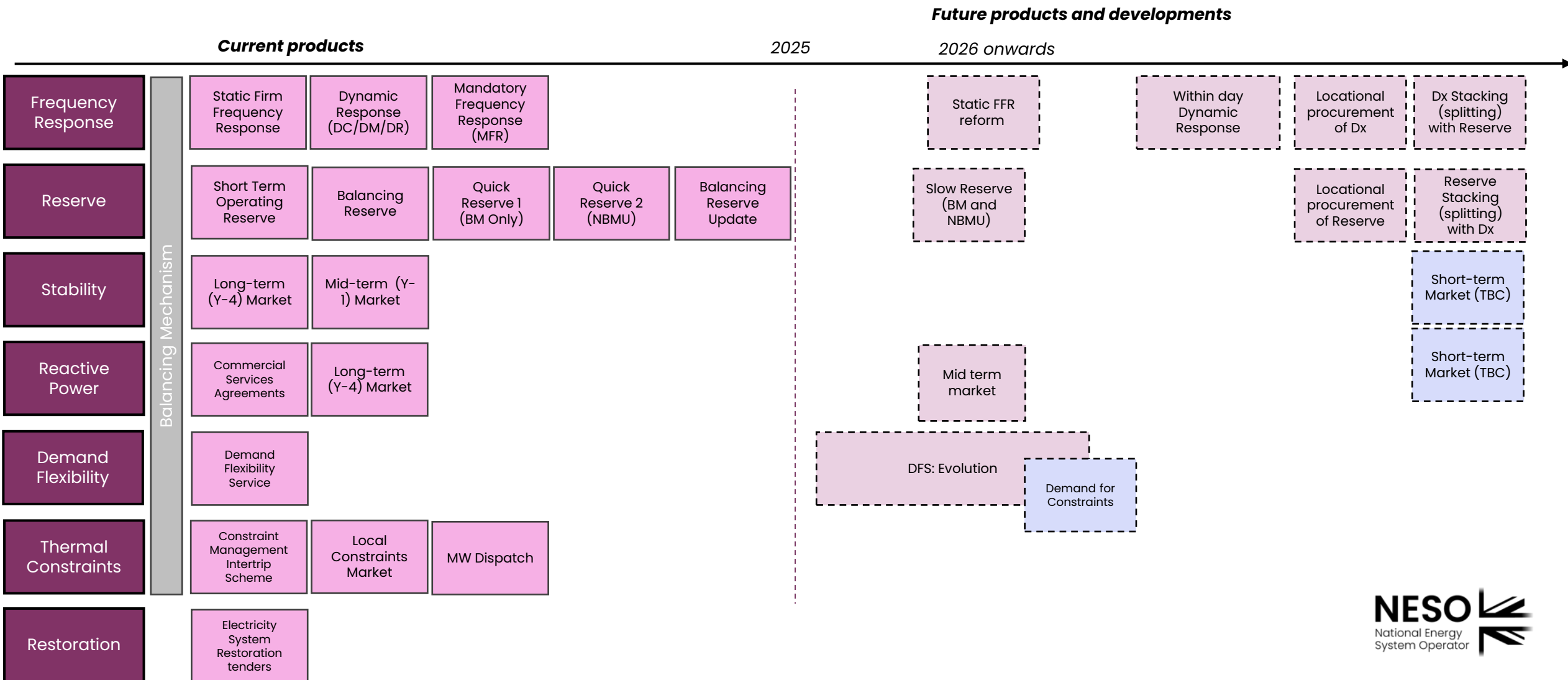
For recently updated and interactive version of the plan, see:  
<https://www.neso.energy/publications/clean-power-2030>



# Products and Service update

# Market and Ancillary Services – Overview and Roadmap

To operate a safe and secure power system, NESO procure a suite of ancillary services through designated markets and via Bid Offer Acceptances (BOAs) in the Balancing Mechanism.



# Ancillary Services

Table below includes an update on what has changed since the Summer when we shared the previous slide

Service	Update summary
Frequency Response	Further evolution of the Dynamic and Static Response services to be consulted on in November 2025. Within day Dynamic Response to launch in 2027. Locational procurement and splitting with Reserve in planning phase.
Reserve	The first co-optimised Balancing Reserve (BR) auction took place at 2pm on 29 October. BR service is now co-optimised with Quick Reserve and Dynamic Response Services. Quick Reserve phase 2 has also launched and for the first time non-BM assets are being despatched via Open Balancing Platform (OBP). Slow Reserve is now due to launch in March 2026. Locational procurement and splitting with Response in planning phase.
Stability	Long term tender 2029 ongoing; Mid term market 26/27 tender in progress; short-term market under review.
Reactive	Long term tender 2029 ongoing; Mid term market tender strategy under development; short-term market under review.
Demand Flexibility	Further evolution of the DFS service (bi-directional, locational, reduction in minimum unit size) to be consulted on in November 2025. LCM volumes expected to continue to grow.
Thermal constraints	Demand for constraints project under review.

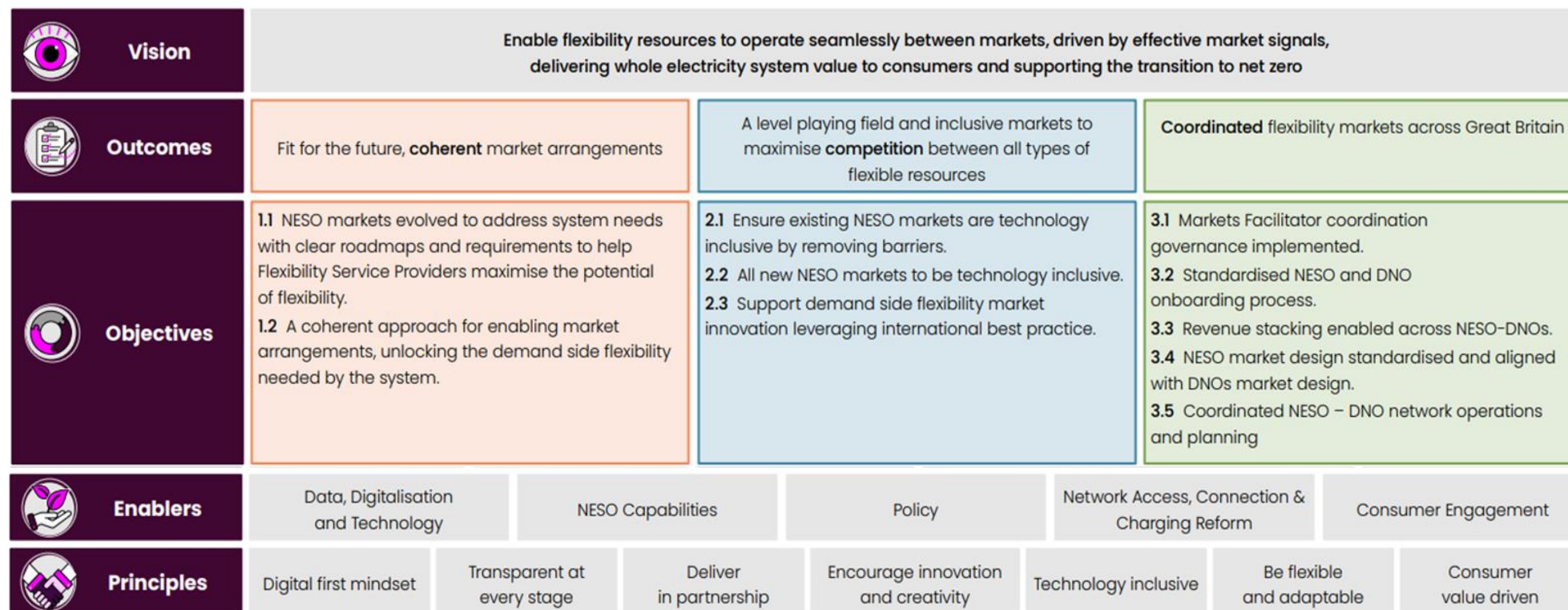


# Enabling Demand Side Flexibility in NESO Markets



# Enabling Demand Side Flexibility in NESO Markets

- We published NESO's strategic vision and objectives for demand side flexibility in NESO markets in December 2024.
- NESO's plan set three outcomes to achieve in order to enable demand side flexibility in NESO markets: **Coherency**, **Competition** and **Coordination**.



# Coordinating with Clean Power 2030 Vision

- As part of the Clean Power Action Plan, DESNZ published the Clean Flexibility Roadmap in July 2025 which introduces specific timebound actions to unlock flexibility more broadly.
- We are keen to ensure coordination of EDSF deliverables with the broader mission for unlocking flexibility.

## Clean Power 2030

- Government's vision to deliver clean power by 2030.
- Sets out plans for a two to three-fold increase in clean flexibility capacity, to a range of 51GW to 66GW, by 2030.
- By 2030, demand flexibility from consumers in the Clean Power 2030 pathways reaches 10-12 GW.

## Clean Flexibility Roadmap

- The Clean Flexibility Roadmap sets out the government's vision for flexibility required for CP30.
- The roadmap includes actions for government, NESO and Ofgem to enable flexibility, including from demand-side participants.

## Enabling Demand Side Flexibility (EDSF) Programme

- It includes actions which can be taken by NESO to achieve the three strategic outcomes of coherency, competition, coordination.
- The scope was updated in 2025 to incorporate all the markets-related actions in the Clean Flexibility Roadmap.
- This programme co-ordinates NESO's actions to unlock participation from demand side flexibility in NESO markets, including those prioritised through the Routes to Market review.

## Routes to Market Review

- Borne out of EDSF, this work has prioritised the barriers in NESO markets and outlines a plan to remove them where feasible.



# We are removing barriers for demand side flexibility

The Routes to Market Review for Demand Side Flexibility is NESO's project for **removing barriers** to NESO services for demand side flexibility. This review is essential deliverable to increase **competition** in NESO services.

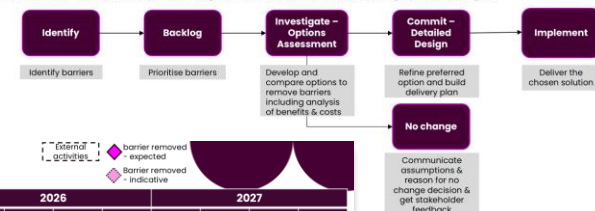
We have a **prioritisation** framework and a **process** for assessing barriers from options assessment through to implementation, in line with our service development & reform activities.

We have reinforced our commitment to removing barriers for demand side flexibility by adding a DSF Routes to Market Review action in the DESNZ, Ofgem & NESO Clean Flexibility Roadmap & are reporting into roadmap governance and monitoring.

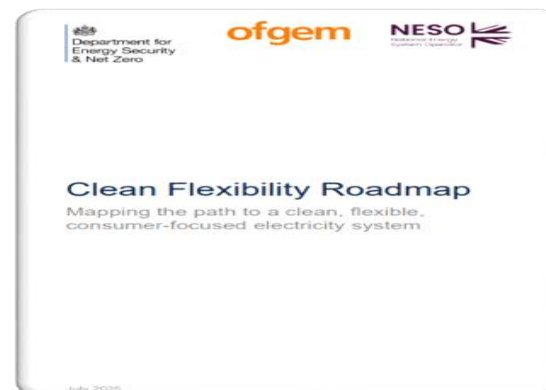
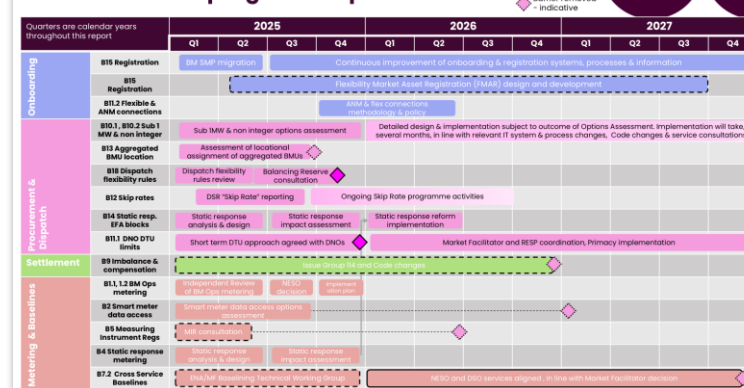
**In December we'll share a review of the first year of EDSF, the progress made in Routes to Market and how we're supporting Clean Flexibility Roadmap**

## Barrier Removal process

To ensure meaningful change, we have developed an overarching change process for identifying, prioritising and removing barriers from our services. This process aligns with our internal market change process stages:



## Barrier removal programme plan



# Recent developments in this space

- Significant strides have been made across industry since our previous Markets Forum. Here are a few highlights, with more information to come in our Routes to Market & Enabling Demand Side Flexibility updates in December.



**Operational Metering** requirements for <1MW aggregated assets will be relaxed in early 2026 to make the BM more accessible to small scale aggregated assets.

Read our briefing note [here](#)



We are launching a **Demand Flexibility Service (DFS) Consultation** to seek industry input on possible future reforms, including an opportunity to consider a negative service to encourage Demand Turn Up.

The consultation will be available imminently on our DFS webpage [here](#).



**Dedicated onboarding support team** established via Power Responsive to support new and existing market participants to unlock the full value of their assets.

Watch our call to industry video [here](#) and get in touch with the team at [power.responsive@neso.energy](mailto:power.responsive@neso.energy)



In line with the Routes to Market Review, we are exploring where we can remove barriers in our markets to enable participation from all asset types. We have recently extended the **Local Constraints Market** until January 2027 and are also exploring the potential to reduce the minimum unit size for **Static Firm Frequency Response** from 1MW to 0.1MW in our upcoming consultation.

# Keeping you involved & up to date



## **Engagement**

- We are holding quarterly sessions with the Power Responsive Challenge Group, ADE Flexibility Forum, the Energy UK DSR working group, & with DESNZ & Ofgem to review barriers, priorities and progress.



## **Update**

- We will publish quarterly updates on RTM, including DSF volume in NESO markets.
- A full EDSF update is planned for December 2025 and we'll do a full review in the Markets Roadmap in 2026
- We would love to hear your feedback.



## **Clean Flexibility Roadmap**

- We will participate in the Annual Roadmap Forum and workshops to provide update on clean flex actions assigned to NESO.



# Keep in touch

Any questions & queries or would like to  
arrange a direct call

[box.market.dev@neso.energy](mailto:box.market.dev@neso.energy)



# Gas Future Market Plan



# What is the Gas Future Market Plan?

## What is the Gas Future Market Plan?

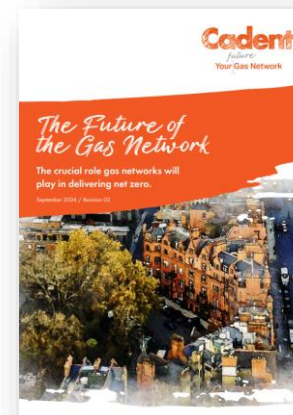
The Gas Future Market Plan (FMP) is a NESO report detailing actions, projects and plans to support transition the gas markets to enable decarbonise energy system.

The report will be developed through collaboration with the Gas Advisory Council and will consult with broader industry at points throughout the process.

## Aims

The report will aim to share NESO's view of the central challenges facing the gas markets today to transition to 2050 supported by industry engagement and propose projects, actions and needs cases for the future of gas markets and whole energy system planning.

Similar reports in industry include, NESO's Electricity Market Roadmap, National Gas' Gas Market Action Plan Reports, Distribution Network Future of Gas work and Business Plans as well as the ACER reports at EU level. Currently there is not an independent system wide report focussed on GB looking across gas markets, which this publication hopes to address.





# NESO's Licence Obligations

NESO plays an independent, strategic and coordinating role in shaping the future of UK gas markets as part of our broader remit to manage and plan the whole energy system. As the Gas System Planner, we will work alongside Industry, DESNZ and Ofgem, to produce the FMP, aligned with our statutory duties and priorities (including Clean Power 2030, Net Zero and Security of Supply).

Our Licence Condition in the Gas System Planner Licence sets out the details on the Future Market Plan:

**C7.2** – The licensee must use reasonable endeavours to produce, in cooperation with Relevant Gas Market Participants, a **Future Market Plan** at least once in every 2 Regulatory Years, which sets out actions, projects and plans to facilitate the transition of the gas market to a decarbonised energy system, and assesses the required transition of the market and industry arrangements for gas against potential future scenarios.

**C7.3** – The licensee must use reasonable endeavours to ensure that the Future Market Plan contains:

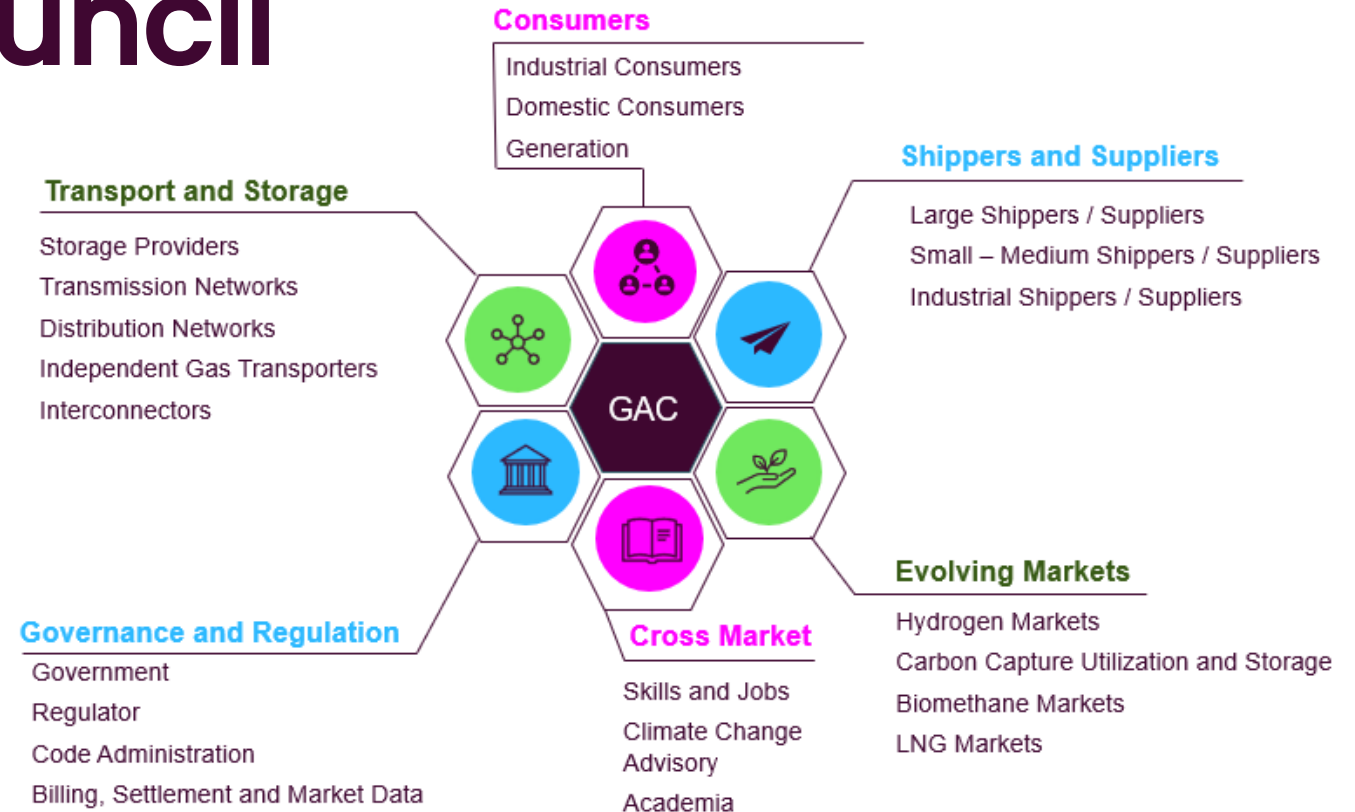
- (a) a **description of projects and plans** (referred to in paragraph C7.2) that the licensee and other Relevant Gas Market Participants intend to progress;
- (b) an **initial view of which parties are best placed to deliver projects and plans** referred to in paragraph C7.3(a), whether the licensee, any Relevant Gas Market Participant or any third party;

# Gas Advisory Council

## What is the Gas Advisory Council

The Gas Advisory Council (GAC) is an independent body that has been established to support our approach to strategic gas market design. The GAC looks to provide strategic output on the future of gas markets to ensure they are affordable for consumers and considered across different molecular gases as well as being sustainable.

To find out more about the GAC and members:  
<https://www.neso.energy/about/our-people/nesos-stakeholder-groups/neso-gas-advisory-council-gac>



## GAC and Future Market Plan

The GAC is working closely with NESO on projects and programmes, as well as providing feedback on the overall structure of this new document for the gas industry. The GAC aims to act as a spokesperson for industry to embed broader views and needs, however we understand that there will be a breadth of experience and knowledge that sits outside the GAC. Therefore, we are hoping to use the Market Forum events and other engagement events to understand further opinions and views.

# Developing a Gas Future Market Plan Outline

We are currently developing an outline of the gas Future Market Plan (FMP) and building an understanding of where we need to engage with industry to ensure the FMP is fit for purpose. This may change by the time of publishing the gas FMP report

## Context, Scenario Setting and Background

Building on the Future Energy Scenarios work, we will set out an understanding of potential future scenarios and key gas market commentary.

Introduction of the GAC and role in the FMP.

## Central Challenges

Identification of central challenges facing the gas market to 2050 as identified by NESO through FES analysis, GAC engagement and Industry engagement

## Ongoing Projects and Programmes

Setting out current projects and programmes currently in progress by either NESO or Industry (including the GAC).

Reporting on the progress of projects and any recommendations / outputs

## Future Projects and Market Needs

Understanding where change is needed/expected including expected milestones.

Future look ahead with pipeline of potential future projects.

Alignment with DESNZ and Ofgem and understanding regulatory change

*Whole System Energy Approach to the Gas Market Transition*



# Industry Engagement on the FMP

## Industry Engagement

The Gas Future Market Plan will be built through collaboration with Industry and Gas Advisory Council

### Context and Scenario Setting

#### Informed

Building on the Future Energy Scenario's and projections for gas market transition we will set the context and scenarios being discussed within the Future Market Plan.

#### Expectations & Cadence

Information will be shared by webinar on this during the first phase of engagement.

### Central Challenges

#### Consulted

Initial view of 5x central challenges are currently being developed and tested with the Gas Advisory Council.

#### Expectations & Cadence

We hope to test this central view of challenges with the GAC and broader industry to embed industry views within the challenges.

A webinar / consultation will be targeted during the first phase of engagement.

### Ongoing Projects and Programmes

#### Informed

Section detailing the plans and projects – and associated actions – proposed and undertaken as part of the GAC

#### Expectations & Cadence

Timings aligned with the project plans and frequency of live GAC Projects. We will report back on the progress of these projects during Market Forum events in the future.

### Future Projects and Market Needs

#### Informed

Sharing NESO's view of future priorities, projects & needs cases as part of next cycle of FMP.

Look ahead to understand and recognise where change is needed, linked to NESO's priorities/duties etc.

#### Consulted

We will consult with industry on your view of where change is needed within the market.

#### Expectations & Cadence

As per the ongoing projects and programmes, we hope to utilise the market forum events in the future to share with industry our thinking as it develops in the Future Market Needs / Actions space.

Webinars may also be used to gather feedback depending on progress.

# Industry ask

We are currently developing our view of the central challenges facing gas markets. We would like to test this thinking with you and understand more about energy market participants view of what the central challenges are.

In light of which we will be hosting a series of webinars and engagement events to run through this in more detail. To sign up to be invited to this series please use the QR code and enter your details.

To sign up for these sessions please use the form below or scan the QR code

<https://forms.cloud.microsoft/e/E2D982WfVs>



# Engage with us

Topic	When	How to get involved
Demand side Flexibility Service (DFS) consultation	Launching 10 November	Link will available next week
Demand side Flexibility routes to markets (Quarterly update)	December, then ongoing quarterly	Sign up to the <a href="#">Power Responsive newsletter</a> to be kept up to date
C9 Annual Review Webinar	13 November	<a href="#">Register here</a>
Reformed National Pricing Call For Input and webinar	Late Dec publication Jan 2026 webinar	<a href="#">RNP Webpage</a>
Non- domestic Consumer Led Flexibility targets	Before the end of December 2025	Sign up to the <a href="#">Power Responsive newsletter</a> to be kept up to date
Future Market Gas Plan	Late 2025/Early 2026	Sign up to the link on slide 25



# Thank you

We look forward to you joining our Live Q&A session next week

**If you are not already registered, please use this QR code**



# Ask your questions

## Ahead of the forum

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