

Public

Incentives Monthly Monitoring Meeting

Meeting Minutes (September 2025 performance)

Date: 10/11/2025 **Location:** Teleconference **Meeting Number:** 81
Start: 15:00 **End:** 16:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Simon Targett (NESO)	Regrets	Luke McCartney (Ofgem)	Attend
Mark Robinson (NESO)	Attend	Nicolas Achury Beltran (NESO)	Attend
Laura Woolsey (NESO)	Attend	John Walsh (NESO)	Attend
Phil Smith (NESO)	Attend	Adam Bunting (NESO)	Attend
Inthu Sarachchandran (NESO)	Attend	Nicolas Rivera (NESO)	Attend
James West (NESO)	Attend	Joe Andrews (NESO)	Attend
Frances Warren (NESO)	Attend	Anthony Ser (Ofgem)	Attend
Izzie Sunnucks (NESO)	Attend	James Hill (Ofgem)	Attend

Public

Agenda

Ref	Title	Owner
1.	Balancing costs monthly update – Balancing Costs Team	NESO
2.	Forecasting monthly update – John Walsh	NESO
3.	NESO to highlight notable points from the published report	NESO
4.	NESO to take questions on the published report	NESO
5.	Ofgem to give feedback on NESO performance	Ofgem
6.	Review actions & AOB	All

Actions

Meeting No.	Action No.	Date raised	Resp.	Description	Status
78	291	07/08/2025	NESO	<p>Arrange a session to talk through the Forecast Strategy publication at a suitable point.</p> <p>Update – Wait until after publication at the end of October</p>	Pending
79	293	11/09/2025	NESO	<p>Check if any additional short-term outages were scheduled specifically because of lower wind.</p> <p>Update – We provided details on why rescheduling outages at short notice due to weather is difficult; offered to send info for review. Ofgem agreed to review and follow up with questions.</p>	Open
79	296	11/09/2025	NESO	<p>Enhance the MBSS dashboard to provide an extra layer of detail behind costs, including breakdowns by thermal, voltage, and inertia, in response to stakeholder feedback.</p> <p>Update – Still investigating; plans to update MBSS dashboard and will provide further updates as progress is made.</p>	Open

Public

79	297	11/09/2025	NESO	Find someone internally (such as a power system engineer) to provide an explanation of the trading decisions for 30th June in a future session. <i>Update – Contact in trading team identified; asked Ofgem how they want to proceed (session or email). Ofgem will check what was requested and respond.</i>	Open
80	299	08/10/2025	NESO	Confirm the cause of the high offers during the windy period (August bids and offers graph). <i>Update – High-priced bids in early August linked to single circuit outage in southwest; market monitoring reviewing.</i>	Open
81	301	10/11/2025	NESO	NEW: Follow up with the forecasting team regarding deviations in wind forecasts and their impact on outage planning and costs.	Open
81	303	10/11/2025	NESO	NEW: Check if the spike in short notice operational changes is meaningful or coincidental, and to ask if there is tracking of recurring issues.	Open
81	304	10/11/2025	NESO	NEW: Edit the report to include the correct success measure for ZCO in the mid-year report.	Open
81	305	10/11/2025	NESO	NEW: Organise meeting with Ofgem to discuss how the reported metrics meeting can be streamlined and invite relevant people from NESO.	Open

Public

Discussion and Questions

1. Balancing costs monthly update – Balancing Costs Team

Frances Warren went through the driving factors around the balancing costs for the September Performance 2025.

Area/Question/Feedback	NESO Response
Ofgem asked about the spike in high-cost hot joints in September, their causes, and whether anything could be done by NESO, Ofgem, or TOs to address them.	We explained hot joints were discovered during planned outages, suggesting early investigation could help, but these are often found incidentally. We also) detailed the classification of hot joints together with information posted in the Team chat of the call. Also noting that more investigation often leads to more discoveries, and that these are random events. NESO tracks them and that it's difficult to prescribe maintenance or planning changes, but agreed it's worth discussing more with Ofgem.
Ofgem asked about how TOs communicate hot joints to NESO and whether this is covered by codes or agreements.	We responded that it's expected behaviour, with most hot joints reported directly to the control room in real time, not through planning, and that derating or outages are managed operationally.
Ofgem raised the issue of minimising consumer impact and whether improvements could be made through codes or formal agreements, suggesting NESO consider this.	We agreed to keep this under review.
Ofgem asked if high interconnector bids on the 19th were due to hot joints.	We confirmed the double circuit outage on the 19th was related to hot joints, with emergency actions taken on interconnectors and other assets.
Ofgem asked if high September wind outturn, compared to forecasts, led to higher costs due to planned outages, and whether this was recoverable.	NESO said they were reviewing deviations from long-term forecasts and would follow up with the forecasting team. ACTION: Follow up with the forecasting team regarding deviations in wind forecasts and their impact on outage planning and costs.

Public

Ofgem requested more commentary in future reports on large changes in trading savings, such as the significant increase in August, to clarify reasons for month-on-month changes.

We agreed to look into this and add commentary. Relevant text may already be in reports and would ensure it's included in future. We then added a recent text from the report in the Teams chat and Ofgem were happy.

ACTION: Ensure relevant explanatory text on trading savings is included in future reports.

2. Forecasting Monthly Update – John Walsh

John presented an update on NESO's forecasting performance for September 2025. He confirmed we are developing new demand forecast models and a new user interface, with a forecast strategy document nearly ready for publication and external consultation planned.

Area/Question/Feedback	NESO Response
Ofgem asked if the large wind forecast errors were biased in one direction or random.	We confirmed there was no identifiable bias; errors were not consistently over- or under-forecasting, and improvements are being made by adding more data, such as wind direction and real-time data.
Ofgem asked if the forecast strategy would be a consultation document or just NESO's position.	We confirmed it would be published for external consultation, likely for two to three weeks, and NESO is open to feedback on the consultation period length.
Ofgem asked if the delivery plan is still targeted for February after the consultation	We confirmed the February target remains.

3. NESO to highlight notable points from the published report

Reported Metrics from the latest month were shared.

Public

4. NESO to take questions on the published report

Area/Question/Feedback	NESO Response
Ofgem asked for more information on voltage excursions, referencing a significant event in July and expressing Ofgem's interest in understanding how these incidents are reported and what learnings have been made. They suggested increased collaboration between NESO and Ofgem engineering teams to share insights and improve reporting beyond the incentive process.	We acknowledged the concern, agreed it had come up in previous reviews, and committed to discussing with their team to arrange further information sharing with Ofgem.
Ofgem noted a spike in short notice operational changes this month, asked if there is a way to track whether recurring issues are happening, and suggested reviewing previous incidents to ensure problems are not repeating. They expressed concern about the frequency and wanted to understand what is being done to prevent recurrence.	<p>We agreed, referenced previous similar reviews, and committed to check if the spike is meaningful or coincidental, and to ask if there is tracking of recurring issues.</p> <p>ACTION: Check if the spike in short notice operational changes is meaningful or coincidental, and to ask if there is tracking of recurring issues.</p>
Ofgem identified a formatting error in the mid-year report for the ZCO, where the description for skip rates was incorrectly used as the description for ZCO's success measure. They suggested this should be reviewed.	<p>We will look in to and change.</p> <p>ACTION: Edit the report to include the correct success measure for ZCO in the mid-year report.</p>

Public

5. Ofgem to give feedback on NESO Performance

NESO invited questions and feedback on NESO's performance from Ofgem, or any general feedback they would like to provide. No specific feedback was provided and said this agenda item can now be removed as this feedback forms part of the BPR process going forward.

6. Review actions & AOB

The outstanding actions were discussed – see updates in table below for complete actions, and the table starting on page 3 for outstanding ones.

AOB

Area/Question/Feedback	NESO Response
Ofgem suggested reviewing the process for communicating questions and feedback, considering whether to move feedback into the BPR session and streamline reporting, aiming for more outcome-focused scheme discussions. They proposed setting up a call with NESO to discuss the best approach.	ACTION: Organise meeting with Ofgem to discuss how the reported metrics meeting can be streamlined and invite relevant people from NESO.

Public

Previously Closed Actions

Meeting No.	Action No.	Date raised	Resp.	Description	Status
80	298	08/10/2025	NESO	Provide an explanation of why August curtailment was much higher than in April and May despite wind being broadly similar. <i>Update – Explained higher wind curtailment in August: lower demand and the storm led to more curtailment actions.</i>	Closed
80	300	08/10/2025	NESO	Provide an explanation of the ‘other’ factors not captured in the model that drove demand forecasting errors on 31 st August. <i>Update – John gave an explanation and Ofgem confirmed understanding</i>	Closed
81	302	10/11/2025	NESO	Ensure relevant explanatory text on trading savings is included in future reports. <i>Update – We shared recent text put in to a recent report as we are currently providing more information already</i>	Closed