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Appendix D – C9 Webinar 13th November 2025 Q&A

Questions and answers

Question	NESO Response
How does the proposed Demand Constraints product comply with the Demand Connection Code (DCC) requirement on NESO?	<p>Thank you for the question.</p> <p>The specifications of the proposed Demand Constraints product, including its alignment with the DCC requirement on NESO, are currently under development.</p> <p>At this stage, we are unable to share detailed information. We are committed to providing comprehensive clarity as these details are finalised in the coming months.</p>
Regarding SMAF & constraint costs, NESO do not currently system flag offers taken in England and Wales to resolve Scottish Bids. SMAF doesn't prevent this but does not mandate it. Can NESO look at addressing this as part of bringing down constraint costs?	<p>Thank you for the question.</p> <p>The process of flagging Bid Offer Acceptances (BOAs) is independent of constraint costs. The purpose of flagging BOAs is to identify BOAs that are potentially taken for system balancing which may or may not be used in calculating the cash out price for a particular settlement period.</p>
What steps is NESO taking to ensure derogation request for Demand Flexibility Service complies with all aspects of EBR – in particular the Recitals and all Articles (and not just article 18)?	<p>Thank you for the question.</p> <p>In relation to the derogation request, we engage with Ofgem on a regular basis.</p> <p>As with all our products, we review the necessary regulatory obligations, coordinating with all relevant stakeholders to ensure we comply with all aspects of EBR.</p>
Is the intention for SFFR minimum size to be dropped to 0.1MW?	<p>Thank you for the question.</p> <p>Yes, that is correct, NESO will be proposing to reduce both the minimum unit and biz size to 0.1 MW for Static FFR.</p>
How do the proposed three Reactive Power products comply with the Enhanced Reactive Power Service (ERPS) requirement on NESO?	<p>Thank you for the question.</p> <p>The ERPS has been an available option to NESO and Providers for many years but has not been utilised in over 8 years.</p> <p>There are two existing Code Modifications, CMP304 and CMP305, which suggest to either modify or</p>

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	<p>remove ERPS respectively, accounting for the development of the Reactive Power Market.</p> <p>The intention is that once the mid-term Reactive Power market has been launched the ERPS code mods will be re-visited.</p>
<p>Can you confirm the nuances between the informal and official consultation process?</p>	<p>Thank you for the question.</p> <p>The informal C9 consultation is not an Electricity System Operator (ESO) Licence requirement. It is an additional and voluntary step by NESO to gather early industry feedback on proposed changes to the five C9 statements before the formal process begins.</p> <p>This step helps shape the official consultation by identifying issues and incorporating stakeholder suggestions early. The timeframes for the informal consultation can also vary.</p> <p>The official C9 consultation is mandated by the ESO Licence under Condition C9; it must run for a minimum of 28 days. It is the formal mechanism for industry to review and comment on proposed changes to the C9 statements.</p> <p>Following the closure of the official C9 consultation, NESO must then submit to the regulatory Authority a report within seven calendar days, which includes original revisions, changes to revisions, industry feedback and NESO's response to feedback.</p>
<p>Can we please try our best to give industry at least one month response time for all consultations. Turning responses around can involve many people.</p>	<p>Thank you for sharing this feedback.</p> <p>We appreciate the importance of allowing sufficient time for industry to provide considered responses, especially where multiple stakeholders are involved.</p> <p>Whilst the current C9 process includes both informal and official consultation stages to provide further time for consideration of the changes proposed, we recognise that timelines can feel tight. We will take this feedback into account as we review the consultation approach going forward.</p>
<p>For the ORPS changes - will further updates/information be shared before it goes to code modification as lots of feedback was provided on it as part of the webinar?</p>	<p>Thank you for the question.</p> <p>NESO's project partners, DNV, will be publishing their report on the renewed ORPS methodology by the</p>

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	<p>end of this calendar year. This report will detail the rationale for change, their methodology and the proposed payment methodology.</p> <p>This will then be published on the NIA project page: https://www.neso.energy/about/innovation/our-innovation-projects/alternative-approaches-orps-methodology</p> <p>There is a Q&A spreadsheet and summary from the webinar which has been compiled, and this will also be uploaded to the project page in due course. https://www.neso.energy/about/innovation/our-innovation-projects/alternative-approaches-orps-methodology</p> <p>The code modification proposal has been raised and agreed to move to workgroups. Feedback on the design from the webinar has been incorporated into the modification proposal form - https://www.neso.energy/industry-information/codes/cusc/modifications/cmp457-revision-obligatory-reactive-power-service-orps</p>
<p>With the answer to the DFS questions- where can we find out details of the engagement NESO has had with stakeholders on this?</p>	<p>Thank you for the question.</p> <p>We have included a very high-level summary of the engagement conducted for the evolution of DFS within a consultation recording published on the website. However, this is a summary and does not include everything. If you have any further questions or would like to schedule a call, you can contact the DFS team via email.</p> <p>Webinar recording: https://players.brightcove.net/6415851838001/default_default/index.html?videoid=6384909396112</p> <p>DFS Article 18 EBR Consultation (please note this consultation closed 10 December): download</p>
<p>Could the C9 consultation questions be given to industry earlier? This would help us time-wise to construct our answers to the consultation.</p>	<p>Thank you for the question and feedback.</p> <p>We recognise the importance of providing sufficient time for industry to prepare responses and understand that early visibility of consultation questions can help with coordination.</p>

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	<p>While the official consultation period is set by the ESO licence requirement at a minimum of 28 days, NESO will, where practical, use best endeavours to share draft questions and context for the proposed changes ahead of the official consultation, such as during the informal consultation stage or through pre-engagement sessions (e.g., industry webinar). This approach helps maximise the time available for stakeholders to review proposed changes and respond. Your feedback will be considered as we review the consultation approach going forward.</p>
Will a Q&A be provided on the C9 website with answers to outstanding questions?	<p>Thank you for the question.</p> <p>Yes, NESO has published the Q&A document on the C9 webpage. Additionally, all non-confidential industry responses to the consultation will also be published on the website following the submission of the C9 report to the Authority.</p>
I expected to see mention of Response/Reserve services part of C9. There are upcoming changes with/without EBR consultations coming soon. Can you summarise why?	<p>Thank you for the question.</p> <p>Although there are some upcoming changes in the Response and Reserve Services, these do not need to be reflected in the C9 consultation as we are not making any changes to the way we procure the service or delivery of the service.</p> <p>Changes for Dynamic services are mainly around monitoring and data submission.</p>
Will DFS be included in the System Management Action Flagging Methodology Statement (SMAF) to allow it to be used to resolve constraints (even if not when it is going live)?	<p>Thank you for the question.</p> <p>Our plan is to include DFS in the SMAF. Whilst our intention is not to utilise DFS for constraint challenges in the short term, the proposed locational development would unlock the capability for DFS to call specific Service Requirements to support/reduce costs for specific locational constraint challenges. We have therefore built the capability within the terms now to avoid needing to complete an additional EBR consultation to implement.</p>
Anything to update on the potential new Boundary Flow Smoothing service that could help considerably with constraint costs?	<p>Thank you for the question.</p> <p>The Boundary Flow Smoothing Innovation project is an ongoing piece of work.</p>

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	<p>The most recent update was given in the Constraints Collaboration Project Webinar on 5 November.</p> <p>Webinar slides: download Webinar recording: https://www.neso.energy/industry-information/balancing-services/constraints-collaboration-project Webinar Q&A: download</p>
<p>Is it within scope to ask your view on when the ABSVD "loophole" will be closed for Virtual BMUs (VBMUs) to align them with BMUs?</p>	<p>Thank you for the question.</p> <p>As outlined during the session, the proposition to update ABSVD methodology document as part of the current C9 consultation process is intended to streamline and simplify methodology documentation, so the provision of ABSVD to Elexon process will remain unchanged.</p> <p>For clarity, NESO will continue submitting ABSVD volumes for primary and secondary units to be included in the imbalance calculation performed by Elexon for those services outlined within the ABSVD methodology.</p> <p>The issue you raised is currently discussed under Issue 114 "Issues relating to Settlement of ABSVD for ancillary services delivered through independent aggregators", considering the inconsistencies in adjustment of Suppliers' positions for Imbalance within the Elexon process which providers should be aware of.</p> <p>Details of these inconsistencies can be found in the following document published by Elexon: BSCP40: Change Management – the Issues 2&3 in this document contain details for your consideration. Information regarding status updates, timelines and issue group outputs can be found on the Elexon website – Issue 114 Settlement of ABSVD for ancillary services delivered through independent aggregators – Elexon BSC.</p> <p>NESO is continuing to participate in ongoing 114 issues group discussions alongside a number of Industry participants to enable a holistic solution to these inconsistencies to be proposed which could</p>

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	be taken through the necessary BSC channels for update.
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