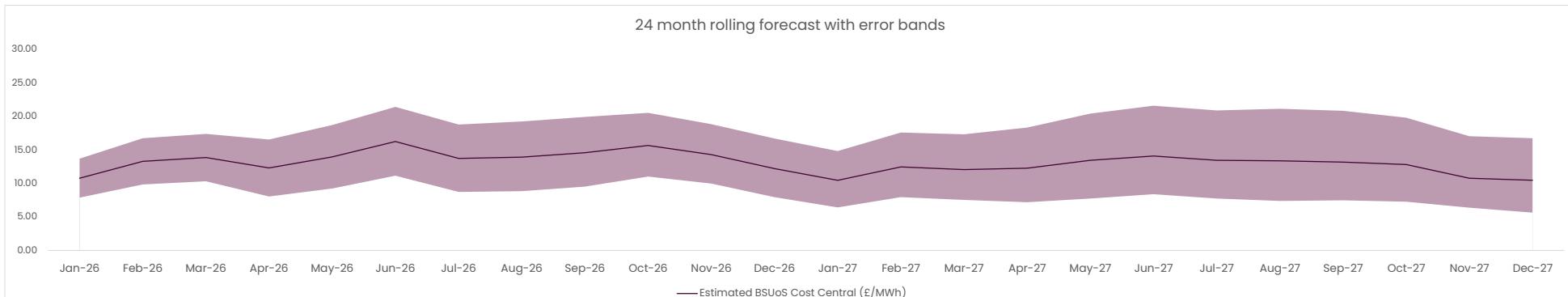


BSUoS Forecast for Feb-26



	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Balancing Costs (Central) £m	197.1	238.6	243.8	192.4	205.2	236.5	196.4	200.9	224.2	280.0	279.1	244.4	206.7	232.3	218.2	187.3	187.7	188.3	182.6	183.8	190.2	210.7	190.6	198.3
Balancing Costs (Upper) £m	276.6	323.2	330.7	281.3	298.1	332.7	293.8	303.4	330.2	388.1	388.6	359.4	321.2	353.4	343.2	314.0	322.4	325.7	323.4	332.0	341.0	364.3	341.8	359.3
Balancing Costs (Lower) £m	117.7	153.8	156.6	103.1	113.1	141.7	100.2	102.7	123.7	177.1	175.1	135.6	100.7	126.1	111.0	81.0	77.9	84.0	74.9	69.6	77.8	88.5	84.7	73.6
Estimated Internal BSUoS & NESO Incentive £m	97.0	87.7	97.0	65.6	67.8	65.6	67.8	67.8	65.6	67.8	65.6	67.8	67.8	61.2	67.8	65.4	67.6	65.4	67.6	67.6	65.4	67.6	65.4	67.6
Winter Security of Supply Cost £m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMP398/412 Claim Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Interest Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total BSUoS (Central) £m	294.1	326.3	340.8	258.0	273.0	302.1	264.2	268.7	289.8	347.8	344.7	312.2	274.5	293.5	286.0	256.7	259.3	257.7	254.2	255.4	259.6	282.3	260.0	269.9
Total BSUoS (Upper) £m	373.6	410.9	427.7	346.9	365.9	398.3	361.6	371.2	395.8	455.9	454.2	427.2	389.0	414.6	411.0	383.4	394.0	395.1	395.0	403.6	410.4	435.9	411.2	430.9
Total BSUoS (Lower) £m	214.7	241.5	253.6	168.7	180.9	207.3	168.0	170.5	189.3	244.9	240.7	203.4	168.5	187.3	178.8	150.4	149.5	153.4	146.5	141.2	147.2	160.1	154.1	145.2
Estimated BSUoS Volume (TWh)	27.3	24.5	24.6	20.9	19.5	18.6	19.2	19.3	19.8	22.2	24.1	25.6	26.2	23.5	23.7	20.9	19.3	18.3	18.9	19.1	19.7	22.0	24.1	25.7
Estimated BSUoS Cost Central (£/MWh)	10.79	13.30	13.86	12.31	13.96	16.26	13.73	13.94	14.60	15.67	14.31	12.22	10.47	12.47	12.07	12.28	13.45	14.09	13.45	13.38	13.19	12.83	10.78	10.49
Estimated BSUoS Cost Upper (£/MWh)	13.70	16.75	17.40	16.56	18.71	21.44	18.80	19.25	19.94	20.54	18.86	16.72	14.83	17.61	17.34	18.35	20.44	21.61	20.90	21.15	20.85	19.81	17.05	16.74
Estimated BSUoS Cost Lower (£/MWh)	7.87	9.84	10.32	8.05	9.25	11.16	8.73	8.84	9.54	11.04	9.99	7.96	6.42	7.95	7.54	7.20	7.75	8.39	7.75	7.40	7.48	7.28	6.39	5.64

Please note: As a result of the approval of CMP308, BSUoS charges have been removed from Generation from 1 April 2023. Therefore the chargeable volume approximately halved and the BSUoS charge (£/MWh) approximately doubled

As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023.

Fixed Tariff 6 (Oct 2025 – Mar 2026) was published 20 December 2024

[BSUoS Fixed Tariff 6 – December 2024](#)

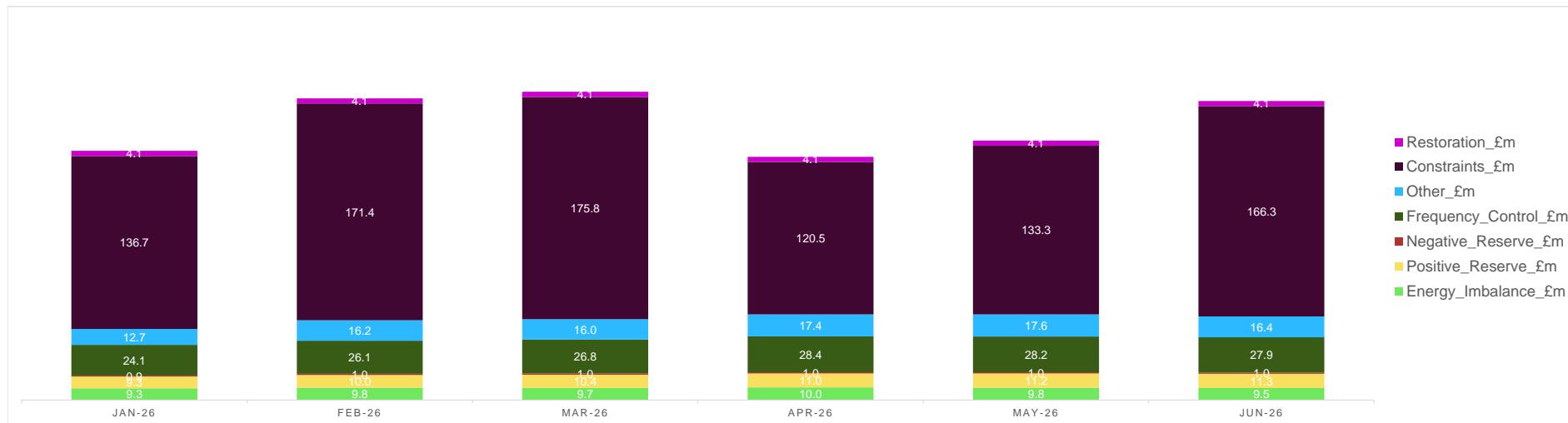
Final Tariff 7 and 8 (Apr 2026 – Sep 2026 and Oct 2026 – Mar 2027) was published 29 December 2025

[BSUoS Final Tariff 7 and 8 – December 2025](#)

Historic BSUoS Fixed Tariff publications can be found on our website: neso.energy/industry-information/charging/balancing-services-use-system-bsuos-charges

If you have any questions on this report, please contact us at BSUoS.Questions@neso.energy

Balancing Costs Central Forecast Breakdown for next 6 months



	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Energy_Imbalance_£m	9.3	9.8	9.7	10.0	9.8	9.5
Positive_Reserve_£m	9.3	10.0	10.4	11.0	11.2	11.3
Negative_Reserve_£m	0.9	1.0	1.0	1.0	1.0	1.0
Frequency_Control_£m	24.1	26.1	26.8	28.4	28.2	27.9
Constraints_£m	136.7	171.4	175.8	120.5	133.3	166.3
Other_£m	12.7	16.2	16.0	17.4	17.6	16.4
Restoration_£m	4.1	4.1	4.1	4.1	4.1	4.1
Total_£m	197.1	238.6	243.8	192.4	205.2	236.5

BSUoS Forecast for Feb-26

Balancing Costs	Forecast for February 2026 = £239 million
Energy model considerations	<p>The Balancing Costs model uses historical patterns of costs, which are then adjusted for changes in prices and changes in wind outturn/forecast to create a baseline which can then be projected forward and shaped based on an understanding of the shaping of costs throughout the year.</p> <p>The forecast for February is 9% (£23m) lower than the prior forecast published on 15 December (£261m). This change reflects a 9% (£16m) decrease in the constraints cost forecast, and a 8% (£6m) decrease in other costs.</p> <p>The average wholesale electricity market price forecast for February has been revised to £65/MWh, reflecting a 15% decrease from the prior £77/MWh forecast published on 15 December.</p> <p>This forecast was produced based on an average of the forward price curves derived between 1-5 January 2026.</p> <p>A consistent change in the wholesale electricity forward curve of ± 20% would lead to a change in the central forecast over the next 12 months of approximately ± 9-13%.</p> <p>No new planned or current outages on interconnectors or the Western link.</p>
Constraint model considerations	<p>The constraints forecast is one of the inputs into the model that we use for forecasting BSUoS. From the December 2023 forecast, an updated constraints model has been used to forecast constraints costs. The updates came about because of an in-depth annual review that resulted in changes to how the HVDC interconnectors with Europe are modelled, and the overnight voltage machine requirements set in the model. There are some noticeable changes to the 2-year-ahead Constraint Forecast because of this. The new constraint forecast is available on our data portal along with further information on the changes that have been made.</p>
Estimated internal BSUoS	<p>Internal Costs are calculated in the National Energy System Operator Financial Model (NESO FM) as published by NESO in November of each year, and can be seen within the sheet "Live Results". The costs for 2025/26 are as per the 2024 Funding Model, published in November 2024. The costs for 2026/27 are as per the 2025 Funding Model, published in November 2025. It is important to note that we are now operating under 100% fast money, meaning we as NESO can seek to recover the full forecast spend within a financial year. Previously, £236.4m for the impact of NESO framework and an interest repayment of £52m were included in Draft Tariff 6 and were called out on separate line items. Both impact of NESO framework and interest repayment costs were included in our internal revenue figure for Fixed Tariff 6 and will continue to be going forward. Therefore, these line items are forecasted as zero within this forecast.</p> <p>NESO Regulatory Finance</p>
Winter Security of Supply Contracts	<p>In anticipation of a possible requirement to put additional enhanced actions in place for Winter 2024/25 we included £25m for Winter Security Supply across Fixed Tariff 4 (Oct 24 - Mar 25). We are not anticipating any additional costs for Winter Security of Supply in Winter 2025/26. Therefore, we are not forecasting any costs to be included in Fixed Tariff 6, 7 and 8.</p>
CMP398/412 Claims	<p>CMP398/412 follows the Grid Code Modification 0156, and provides a cost recovery mechanism for CUSC parties who do not currently hold contracts with the ESO to provide restoration services. Validated claims will be passed through the BSUoS tariff.</p> <p>Claims can only be submitted during the September 2024, September 2025, and December 2025 windows, with successful claims paid out in 12 equal monthly instalments from the following April. No claims were submitted in the September 2024 or September 2025 windows. As a result, we forecast no payments for 2025/26, and the 2026/27 charge is forecast at £0m. For 2027/28, £48m is forecast to be charged between April 2027 and March 2028.</p> <p>Forecast costs are currently based on a survey conducted by BEIS (now DESNZ)</p>

CMP408/415	CMP408 and WACMI of CMP415 has been approved by OFGEM to begin on 1 April 2025. Fixed Tariff 4 and 5 will continue to run their course, and Fixed Tariff 6 (Oct 25 – Mar 26) was published in December 2024. The first tariffs to be published under the new methodology will be Fixed Tariff 7 (Apr 26 – Sep 26) and Fixed Tariff 8 (Oct 26 – Mar 27). The Initial Forecast of these tariffs was published on 27 June 2025, followed by the Draft Tariffs on 02 October 2025. The Final Tariffs were published in December 2025.
Interest Repayment	Interest repayment reflects monies due following the over-recovery of BSUoS revenue from Fixed Tariff 1 (Apr 23 – Sep 23) and Fixed Tariff 2 (Oct 23 – Mar 24). The repayment of interest may be included as legacy term within the National Energy System Operator (NESO) license, and is dependent on the timing of the publication. As the newly established NESO, for Apr 25 to Mar 26, the interest repayment is now included in the internal NESO costs. Therefore, forecast costs for this line item are zero.
Estimated BSUoS Volume	From April 2023, the code modification CMP308 came into effect which moved the charging of BSUoS from generation and demand to "Final Demand" only. Final Demand is currently defined as electricity consumed other than for the purposes of generation or export onto the electricity network. The BSUoS chargeable volume has been estimated using a simple linear regression using the NESO national demand forecast as the explanatory variable. The relationship is estimated using only BSUoS chargeable volume and national demand from after April 2023.
BSUoS Reform	<p>As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 6 for Oct 25 – Mar 26 was published on 20 December 2024</p> <p>Final Tariff 7 and 8 (Apr 2026 – Sep 2026 and Oct 2026 – Mar 2027) was published 29 December 2025.</p> <p>This report shows the forecast costs for the next 24 months, not the recovery against the fixed tariff.</p> <p>BSUoS Fixed Tariff 6 – December 2024</p> <p>BSUoS Final Tariff 7 and 8 – December 2025</p>