

Public

Official Report to the Authority for Condition C9: Procurement and use of Balancing Services

A report in accordance with Standard
Condition C9 for 2026–2027.

13 February 2026

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1. Executive summary

In accordance with Standard Licence Condition C9¹ of the Electricity System Operator Licence (ESO Licence), the National Energy System Operator (NESO) has undertaken its annual review of the C9 licence statements. This report has been produced and submitted to the Authority², following industry consultation, in accordance with Standard Licence Condition C9.23.

We are proposing revisions due to necessary improvements and housekeeping changes to the statements and to accommodate changes to the Balancing Services³ we intend to procure from 01 April 2026 to 31 March 2027. This report outlines the final proposed changes to the 2026–2027 C9 statements, following industry engagement and is supported by tracked change statements and Annex 1 which outlines the industry feedback and NESO’s response.

There are five statements that form part of condition C9, all of which were open for review and change during the consultation process:

- 1) Procurement Guidelines Statement (PGS)
- 2) Applicable Balancing Services Volume Data Methodology Statement (ABSVD)
- 3) Balancing Principles Statement (BPS)
- 4) Balancing Services Adjustment Data Methodology Statement (BSAD)
- 5) System Management Action Flagging Methodology Statement (SMAF)

The key proposed focus areas for the five statements under review are:

- Housekeeping updates including formatting, spelling, grammar, contact information, link reviews and version control
- Legacy references to “ESO”, “NGESO” and “National Grid” deleted and replaced with “NESO” where applicable, in addition to references to “C16” updated to “C9” as relevant, updated to reflect the transition from National Grid Electricity System Operator (NGESO) to NESO in October 2024.
- Updates to Balancing Services to reflect procurement plans for 2026–2027

¹ Condition C9: Condition C9 Procurement and use of Balancing Services. Further details of the C9 Licence condition can be found within the ESO Licence Conditions, on Ofgem’s licence [webpage](#).

² References to the Authority throughout this document is to the Office of Gas and Electricity Markets (Ofgem).

³ Balancing Services as defined by the ESO Licence. Further details of the C9 Licence condition can be found within the ESO Licence Conditions, on Ofgem’s licence [webpage](#).

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- ABSVD and BSAD Methodologies updated to streamline documentation, further align with the ESO Licence, clarify roles and responsibilities within the processes between NESO and Elexon⁴ and improve signposting to the relevant Balancing and Settlement Code (BSC)⁵ rules, definitions and data access.

We intend to engage separately regarding the ESO Licence Condition C9.8 to gain industry views and feedback on how we consider our duties under section 163⁶ and 164⁷ of the Energy Act 2023 within the BPS. Further communications regarding this will be shared with industry in due course.

The final revisions proposed to the C9 statements are detailed in the “Review of Suggested Changes” section of this report and will be effective as of 1 April 2026, unless the Authority issues a direction for statement changes to become effective earlier or for revisions not to be made.

We invite the Authority to review this report, accompanying track changed statements and industry responses and provide direction on or before 13 March 2026.

The current versions of the C9 statements, tracked change documents, consultations, non-confidential industry responses and report to the Authority will be published on our C9 Webpage: [C9 statements and consultations | National Energy System Operator](#).

If you have any questions about this document, please contact

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Yours faithfully,

Penny Garner

Head of Market Frameworks

⁴Elexon is the administrator of the Balancing and Settlement Code (BSC). For more information, please visit [Elexon's website](#).

⁵ The Balancing and Settlement Code (BSC) contains the rules and governance arrangements for electricity balancing and settlement in Great Britain. For more information see [here](#).

⁶ [Energy Act 2023](#)

⁷ [Energy Act 2023](#)

Please note that consequential changes resulting from modifications to GB industry codes, stakeholder suggestions and upcoming regulatory changes that are not captured here will be actioned either in future annual reviews, or individual statement reviews, as appropriate. This document refers to several definitions contained in the NESO ESO Licence, Grid Code (GC), the Connection and Use of System Code (CUSC) and the Balancing Settlement Code (BSC). Terms used herein shall have the same meanings given to them in the NESO Licence, GC, CUSC and/or BSC as the case may be.

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2. Licence Condition C9 process overview

The Review

In accordance with Standard Condition C9 of the NESO Electricity System Operator Licence, NESO has concluded its annual review of all licence statements.

The purpose of the review and consultation are to ensure that each of the applicable documents remains current by seeking industry views on any proposed changes. We then invite the Authority to review the proposed changes. Should the Authority decide to exercise their powers to stop certain changes, the current versions will continue to remain in effect. Alternatively, the proposed changes will become effective by 01 April 2026 unless the Authority issues a direction that statement changes should become effective earlier or revisions should not be made.

The following C9 statements are the focus of the annual review:

- Procurement Guidelines Statement (PGS)
- Applicable Balancing Services Volume Data Methodology Statement (ABSVD)
- Balancing Services Adjustment Data Methodology (BSAD)
- Balancing Principles Statement (BPS)
- System Management Action Flagging Methodology (SMAF)

Consultation

The initial step in the review process is to publish a consultation, in accordance with [C9.23\(b\)](#), for a period of no less than 28 days, outlining the changes proposed and providing updated tracked change versions of the statements as part of the C9 Licence Condition. This provides industry with the opportunity to review recommended text changes in the statements and provide feedback.

The [official consultation](#) in accordance with C9, ran for 29 days, from 09 January 2026 to the 06 February 2026. We also ran an [informal consultation](#) from 18 November to 08 December 2025 and held an industry webinar on 13 November 2025.

It should be noted that the annual review of the C9 statements is not the primary forum for the development of new balancing services. They will be created and consulted upon in a separate process specific to each balancing service (Electricity Balancing Regulation (EBR) Article 18 consultation), and any subsequent changes to the statements will reflect new products as required.

Report to Authority

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The next and current step in the review process, in accordance with C9.23(c), is for NESO to document, in the form of a report, our final position on the changes proposed during the consultation(s), along with the tracked changed versions of the statements. To support transparency, the report will also include all industry responses and NESO’s response to each of the points raised.

This report must be issued to the Authority within 7 days (5 working days) from the closure of the official consultation, unless NESO is directed otherwise.

NESO now invites the Authority to review and approve the proposed changes outlined within this report.

Authority Decision and Statement Go Live

The final step in the review process is for the Authority to review all the documents submitted to them by NESO at the report submission stage.

In accordance with C9.24, the Authority has 28 days to issue a direction, following receipt of the report. Unless the Authority directs revisions to take effect from an earlier date or to not make a revision, then the revised statements will go live on the C9 website by 01 April 2026.

Such a direction from the Authority may alter the statement go-live date or a statement might go-live pending further changes.

C9 Review Timeline

Annual Review Timetable	Start Date	End date
Industry Forum	13-Nov-25	13-Nov-25
Informal consultation published	18-Nov-25	08-Dec-25
Official consultation published	09-Jan-26	06-Feb-26
Report submission to the Authority	13-Feb-26	-
Authority review of C9 submission	13-Feb-26	13-Mar-26
Authority direction expected by	13-Mar-26	-
Changes effective from and published, unless directed otherwise	01-Apr-26	-

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3. Industry engagement and feedback

Industry Webinar

An industry webinar was held on 13 November 2025, with attendance from 45 external attendees. The webinar included an overview of the C9 ESO Licence requirement and associated change process, a summary of the early changes proposed within the C9 informal consultation and detail on how industry could engage with the consultation process.

Questions were taken during the webinar and responded to, where possible, during the Q&A segment of the webinar. The presentation slides, webinar recording and [Q&A document](#) are available on the [NESO C9 2026/27 consultation area](#).

Informal C9 Consultation

The [informal consultation](#) was published on 18 November 2025, with a deadline for responses of 08 December 2025, with the aim of gathering early industry feedback to shape the official C9 consultation.

Industry was invited to comment on whether they agreed or disagreed with the proposed revisions and if they had any further suggestions for revisions to the statements.

Following the publication, we engaged with industry via the NESO Balancing Services Distribution list, NESO News, Elexon Newscast, Joint European Stakeholder Group (JESG) and the Operational Transparency Forum (OTF), to provide notification of the publication and details of how to respond.

The published informal consultation and questions included in the proforma can be found on the NESO website, within the [2026-2027 consultation folder](#).

We received responses from three industry participants. One response was deemed out of scope of the C9 consultation and the remaining responses broadly supported the majority of the proposed updates to all statements and provided further suggestions or questions for consideration.

Full detail of the informal consultation non-confidential industry responses can be found in Annex 1, accompanied with a NESO response.

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Official C9 Consultation

In accordance with C9.23(b), the official consultation was published on 09 January 2026, with a deadline for responses of 06 February 2026, providing industry with 29 calendar days to respond.

The consultation aimed to gather industry feedback on any revisions made to the statements following informal consultation feedback and to shape the final proposed revisions to the C9 statements. Industry was invited to comment on whether they agreed or disagreed with the proposed revisions and if they had any further suggestions for revisions to the statements.

Following the publication, NESO engaged with industry via the NESO Balancing Services Distribution list, NESO News, Elexon Newscast, JESG and the OTF, to provide notification of the publication, and details of how to respond.

The published official consultation and questions included in the proforma can be found on the NESO website, within the C9 2026-2027 consultation folder.

We received responses from five industry participants. The feedback has been reviewed to consider whether further changes were required to the statements as a result. Some feedback has been actioned and presented as proposal in the report submission tracked change documents, as detailed within the appendix final revision tables, whilst some feedback requires further consideration before changes are proposed.

To support transparency, full details of the non-confidential industry responses to the official consultation can be found in Annex 1, accompanied with a NESO response. This is also available in the C9 2026-2027 consultation folder.

The timeline of engagement with industry is as follows:

- **13 November 2025:** NESO hosted the C9 Annual Review Industry Webinar.
- **18 November:** JESG mailing list, email confirming C9 informal consultation is live and inviting industry to respond.
- **21 November:** NESO News mailing list, email confirming C9 informal consultation is live and inviting industry to respond.
- **18 November:** NESO Balancing Services mailing list, email confirming C9 informal consultation is live and inviting industry to respond.
- **24 November, 01 December:** Elexon Newscast mailing list, email confirming C9 informal consultation is live and inviting industry to respond.
- **26 November, 03 December:** OTF used to pinpoint the C9 informal consultation issued and inviting industry to respond.

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- **09 December:** JESG Presentation detailing upcoming official consultation, outlining timeframes and details on how to respond.
- **6 January:** JESG newsletter reminder of C9 consultation launching on 9 January.
- **09, 12 January 2026:** NESO Balancing Services mailing list, email confirming C9 official consultation is live, outlining timeframes and inviting industry to respond.
- **12, 19, 26 January and 02 February:** Elexon Newscast, email confirming C9 official consultation is live, outlining timeframes and inviting industry to respond.
- **14, 21, 28 January and 04 February:** OTF used to pinpoint the C9 official consultation is live, outlining timeframes and inviting industry to respond.
- **09, 30 January:** NESO News mailing list reminding industry C9 consultation is live, outlining timeframes and inviting industry to respond.

4. Review of suggested changes during the C9 consultation process

Following the transition from NGENSO to NESO our ESO Licence has come into effect. We have considered how our updated licence, and associated roles and responsibilities, impacts the statements under Condition C9 of the ESO Licence. We are also proposing revisions due to necessary improvements and housekeeping changes and to accommodate changes for the Balancing Services we intend to procure from 01 April 2026 to 31 March 2027

The changes proposed in this year’s annual review broadly consist of:

- General updates to formatting, spelling, grammar, contact information and link updates as normal.
- Legacy references to “ESO”, “NGESO” “National Grid” deleted and replaced with “NESO” where applicable, references to “C16” updated to “C9” as relevant, updated to reflect the transition to NESO in October 2024.
- Updates to Balancing Services to reflect procurement plans for 2026–2027.
- ABSVD and BSAD Methodologies updated to streamline documentation, further align with the ESO Licence, clarify roles and responsibilities within the processes between NESO and Elexon and improve signposting to the relevant BSC rules, definitions and data access.

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Additional Licence Obligations under C9.8 NESO ESO Licence.

In the 2025 annual C9 review, NESO reviewed the balancing principles and associated statement and introduced changes to outline our consideration of duties under section 163 and 164 of the Energy Act, in accordance with [C9.8](#).

NESO intends to engage separately regarding ESO Licence Condition C9.8 to gain industry views and feedback on how NESO considers our duties under section 163 and 164 of the Energy Act 2023 within the BPS. This expects to build upon the changes we made last year and continue to support our commitment to being transparent with industry in how the principles and criteria set out are consistent with our duties. Further communications regarding this will be shared with industry in due course.

5. Proposals for the Procurement Guidelines Statement (2026–2027)

The Procurement Guidelines set out the types of Balancing Services which NESO may be interested in purchasing, together with the mechanisms by which NESO purchases such Balancing Services. It acts as a generic statement of the procurement principles that NESO expects to follow.

We have proposed updates to the Procurement Guidelines to reflect recent and required changes. The suggested amendments are as summarised:

- General housekeeping updates (version control, formatting, spelling, grammar, contact details, links) and improvements to clarity and readability.
- Updates regarding the development of the PGS statement to align C9 introductions and clarify NESO’s role and Authority approval.
- Terminology and document references updates i.e. ‘Forward Plan’ updated to ‘Business Plan’ and Electricity System Restoration Assurance Framework updated
- Updates for services such as Quick Reserve for Non-Balancing Mechanism (Non-BM) participants, Constraint Management Services (Megawatt Dispatch (MWD), Local Constraint Market (LCM), Constraints Collaboration Project (CCP)), Balancing Reserve, Static Firm Frequency Response (SFFR), Demand Flexibility Service (DFS), Obligatory Reactive Power Services (ORPS), Reactive Power and new markets, Stability Markets and Enhanced Reactive Power Service (ERPS), to reflect service updates and clarify changes for the 2026–2027 procurement year. **Please note changes proposed to DFS and SFFR are still subject to an EBR Article 18 Authority decision.**
- Updates regarding Balancing Mechanism Offers and Bids to ensure accurate representation of units used in the Balancing Mechanism (BM).

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- Updates regarding actions outside the Balancing Mechanism, relating to Forward Trading, to increase transparency and clarify Grid Trade Master Agreements.
- Updates regarding Net Transfer Capacity (NTC) to increase transparency and clarity regarding NTC Methodology and Policy.
- Updates to clarify requirements under Connection 8.1 of the Grid Code.
- Updates regarding 'Other Reserves – commercial' to clarify services classed as other Reserves and that no additional volumes will be procured beyond what is already contracted.
- Removal of wording for Dynamic Frequency Response (DFFR) to clarify that the service ceased in 2023.
- Removal of wording for Demand Side Providers and Small Generators relating to the Power Potential Innovation project, which ended in 2020.
- Updates for Table 1: BM Trading and System Ancillary Services, Table 2: Active Commercial Ancillary Services, Table 3: Commercial Ancillary Services under review and Table 2: Balancing Services Information Provision Summary, to clarify services for the 2026–2027 procurement year, improve formatting and improve clarity on procurement information provision.

Industry Response Summary

NESO received valuable responses to the changes proposed to the PGS Statement as part of this annual review, which resulted in further changes being proposed throughout the consultation process. Responses to the individual feedback raised are detailed in **Annex 1** and highlighted in **Table 1 within the Appendix** where this may have resulted in any further revisions proposed to the statement.

Change summary

Please see the tracked changes document for the PGS for full detail of the final proposed changes. This is stored within the folder “**C9 Consultations, 2026–2027**” which can be located on the **C9 webpage**.

The key amendments proposed to the Procurement Guidelines Statement are detailed in **Table 1 in the Appendix**.

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6. Proposals for the Applicable Balancing Services Volume Data (ABSVD) Methodology Statement (2026–2027)

The Applicable Balancing Services Volume Data Methodology Statement outlines the process NESO takes to determine and provide the volumes of Applicable Balancing Services which are to be considered in determining Applicable Balancing Services Volume Data under the BSC.

In response to feedback from previous C9 consultations, queries and to be well aligned with our ESO licence, the ABSVD Methodology Statement has been updated to streamline and simplify the methodology documentation.

We have proposed updates to the ABSVD Methodology to reflect recent and required changes. The suggested amendments are as summarised:

- General housekeeping updates (version control, formatting, spelling, grammar, contact details, links) and improvements to clarity and readability.
- Updates to legacy references to other conditions under the transmission licence updated to reflect new condition references under the Electricity System Operator Licence, i.e., references to C16 updated to C9 as relevant.
- Updates regarding the development of the ABSVD Methodology Statement to align C9 introductions, and to clarify NESO’s role and Authority approval.
- Updates to restructure the statement by introducing *Part A Introduction*, including a *Foreword* and *Purpose of Document* sections, to enhance clarity, remove duplication, and improve readability. Also clarifying NESO and Elexon roles and responsibilities within the ABSVD process.
- Updates to *Basis of Calculation* to enhance clarity for Balancing Mechanism Units, remove duplication, and improve readability.
- Updates to *Variables included in the ABSVD* and *Balancing Services for inclusion in the ABSVD* to improve clarity around Balancing Mechanism Units, clarify the specific process within the BSC, focussing on clear NESO processes and further clarifies NESO/Elexon roles and responsibilities.
- Updates to *ABSVD Provision* and *Re-submission of ABSVD* to improve clarity and readability.
- Updates to *Disputes* with minor wording changes to improve readability and clarity of the disputes process for BM and Non-BM participants.

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- Updates to *Applicable Balancing Services Volume Data (ABSVD) For Non-BM Providers, Balancing Services for inclusion in the ABSVD and ABSVD Calculation for Non-BM Providers for Applicable Reserve Balancing Services* to simplify content, remove repetition, and enhance readability. Also, clarifies NESO/Elexon roles and responsibilities.
- Updates for *Registration of Metering System Identifier (MSID) pairs* to clarify the process for MSID registration.
- Updates to *ABSVD Provision for Applicable Reserve Balancing Services from Non-BM Providers* to clarify the process and NESO/Elexon roles and responsibilities.
- Updates to *ABSVD Calculation and Submission for Non-BM Providers for Applicable Response Balancing Services* to improve clarity.
- Updates to *Re-submission of ABSVD* to enhance clarity and readability throughout the statement and refresh contact information.
- Updates to *ABSVD Methodology for BM Participants, Principles* to streamline the document, signpost the ABSVD process, and clarify NESO/Elexon roles and definitions. Formulas and calculations related to Elexon Imbalance calculation removed to align with the document’s scope and purpose.
- Updates to *Worked examples, Provision of Mode A Frequency Response example, and Provision of Short Term Operating Reserve (STOR)* to streamline the document and focus on the NESO processes. Elexon Imbalance calculations removed to align with the document’s scope and purpose.
- Updates to *ABSVD Methodology for Non-BM Providers, Principles, Disputes, and Calculation of ABSVD*, to eliminate duplication and remove reference to Elexon processes.

Industry responses

NESO received valuable responses to the changes proposed to the ABSVD Methodology Statement as part of this annual review. Responses to the individual feedback raised are detailed in **Annex 1** and highlighted in **Table 2 in the Appendix** where this may have resulted in any further revisions proposed to the statement.

Change summary

Please see the tracked changes document for the ABSVD Methodology Statement for full detail of the final proposed changes. This is stored within the folder “**C9 Consultations, 2026–2027**” which can be located on the [C9 webpage](#).

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Given the extensive structural changes suggested for the ABSVD Statement in this year's review, a clean version (Appendix H – ABSVD Statement v21 Clean Copy Example effective from 01 April 2026 for Report Submission) has been included to enhance readability and present a clear view of the final statement, should all proposed modifications be implemented. For a comprehensive overview of the changes, please consult the tracked change document.

The key amendments proposed to the ABSVD Methodology Statement are detailed in **Table 2 in the Appendix.**

7. Proposals for the Balancing Services Adjustment Data (BSAD) Methodology Statement (2026-2027)

The Balancing Services Adjustment Data Methodology Statement outlines the process NESO takes to determine and provide the costs and volumes of the relevant balancing services which are to be considered under the BSC for the purposes of determining Imbalance Price(s)⁸.

In response to feedback from previous C9 consultations, queries and to be well-aligned with our Licence, the BSAD Methodology Statement has been updated to streamline and simplify the methodology documentation.

We have proposed updates to the BSAD Methodology to reflect recent and required changes. The suggested amendments are as summarised:

- General housekeeping updates (version control, formatting, spelling, grammar, contact details, links) and improvements to clarity and readability.
- Legacy references to “ESO”, “NGESO”, and “National Grid” deleted and replaced with “NESO” where applicable. The Energy Act of 2023 created NESO as an independent public body, separating it from National Grid PLC. NESO began operations in October 2024.
- Legacy references to other conditions under the transmission licence updated to reflect new condition references under the Electricity System Operator Licence, i.e., references to C16 updated to C9 as relevant. This is due to the transition from NGESO to NESO, requiring updates to reflect the correct licensing references.

⁸ The Imbalance price can be defined as the price used to settle energy imbalance volumes. For more information, please visit [Elexon's webpage](#).

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- Updates regarding the development of the BSAD Methodology Statement to align C9 introductions and clarify NESO’s role and Authority approval.
- Updates to restructure the statement by introducing Part A Introduction, including a Foreword and Purpose of Document sections, to enhance clarity, remove duplication, and improve readability.
- Updates to *Balancing Services Adjustment Data (BSAD)*, *Balancing Service Adjustment Actions* and *Balancing Services included within Balancing Service Adjustment Actions* to consolidate, simplify content and enhance readability, making the methodology easier to understand and apply. Note 4 updated regarding the DFS service, removing reference to the Elexon process to avoid suggesting different treatment of volumes for system flagged events. Please note changes proposed to the DFS service are still subject to an Authority decision as part of the EBR Article 18 consultation.
- Updates to *Buy Price Adjuster (BPA)* to ensure the formula remains relevant.
- Updates to *Buy Price Adjuster and BM Start Up* to ensure references remain related to the BSAD process.
- Updates to *Worked Example: Buy Price Adjuster* to provide additional clarity to the BPA Calculation process and signpost where further information can be found.
- Updates to *BSAD submission* to simplify content and enhance readability, making the methodology easier to understand and apply. It also signposts where further information and datasets associated with BSAD can be found.
- Updates to *Re-submission of BSAD* to ensure the statement reflects the process accurately and provides additional contact information for BSAD-related queries.

Industry responses

NESO received valuable responses to the changes proposed to the BSAD Methodology Statement as part of this annual review, which resulted in minor changes being proposed throughout the consultation process. Responses to the individual feedback raised is detailed in **Annex 1** and highlighted in **Table 3 in the Appendix** where this may have resulted in any further revisions proposed to the statement.

Change summary

Please see the tracked changes document for the BSAD Methodology Statement for full detail of the final proposed changes. This is stored within the folder “**C9 Consultations, 2026-2027**” which can be located on the [C9 webpage](#).

Public

Given the extensive structural changes suggested for the BSAD Statement in this year's review, a clean version (Appendix I – BSAD Statement v27 Clean Copy Example effective from 01 April 2026 for Report Submission) has been included to enhance readability and present a clear view of the final statement, should all proposed modifications be implemented. For a comprehensive overview of the changes, please consult the tracked change document.

The key amendments proposed to the BSAD Methodology Statement are detailed in **Table 3 in the Appendix.**

8. Proposals for the Balancing Principles Statement (2026–2027)

The Balancing Principles Statement defines the broad principles and criteria (the Balancing Principles) used by NESO that will determine, at different times and in different circumstances, which Balancing Service it will use to assist in the efficient and economic operation of the transmission system. In addition, it defines when NESO would resort to measures not involving the use of Balancing Services.

In the 2025 annual C9 review, NESO reviewed the balancing principles and associated statement and introduced changes to outline our consideration of duties under section 163 and 164 of the Energy Act, in accordance with C9.8. NESO intends to engage separately regarding ESO Licence Condition C9.8 to gain industry views and feedback on how NESO considers our duties under section 163 and 164 of the Energy Act 2023 within the BPS. This expects to build upon the changes we made last year and continue to support our commitment to being transparent with industry in how the principles and criteria set out are consistent with our duties. Further communications regarding this will be shared with industry in due course.

We have proposed updates to the BPS Statement to reflect recent and required changes. The suggested amendments are as follows:

- General housekeeping updates (version control, formatting, spelling, grammar, contact details, links) and improvements to clarity and readability.
- Legacy references to “ESO”, “NGESO”, “NGET” and “National Grid” replaced with “NESO” where applicable, as the Energy Act of 2023 created NESO as an independent public body, separating it from National Grid PLC. NESO began operations in October 2024.

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- Updates to legacy references to C16 updated to C9 as relevant, due to the transition from NGEN to NESO, requiring updates to reflect the correct licensing references.
- Updates regarding the development of the BPS Statement to align C9 introductions and clarify NESO's role and Authority approval.
- Updates to *Licence Duties* to remove outdated wording and clarify the government's Clean Power 30 (CP30) metrics within our net zero statutory obligation (Energy Act s.163(1)(a)).
- Updates to references and provision of information for Network Services.
- Updates to *General Principles* and *Principles Underlying Balancing Measures* to clarify requirements for Non-BMUs.
- Updates to *System and Localised Negative Reserve Active Power Margin* to update references to 'synchronised' to reflect correctly.
- Updates to *Communication Failure* to clarify outdated references to NGET.
- Updates to *Principles underlying balancing measures (4)* to consider cost changes after instructing a longer notice service, clarifying that a full post-event look back may appear out of cost order due to changes in costs that occurred between different procurement times.
- Updates to *Principles underlying balancing measures (10)* for Net Transfer Capacity (NTC) to clarify the existing use of the term "economic".
- Updates to *Transmission Constraint Management and Response/Reserve Holding Principles (2.1)* to update the reference to 'NGET' to 'Transmission Owner' as the correct reference, (2.2) to improve formatting and update process accurately, (2.5) to reflect current MW Dispatch service terms.
- Updates to *Transmission Constraint Management and Response/Reserve Holding Principles; (3.1)* to ensure all Dynamic services are included, maintaining alignment across PGS and BPS, (3.2b) to update references to 'synchronised' to reflect correctly and to provide clarity on Balancing Reserve auction timings, subject to Ofgem approval in 2025. Updates to 3.2e to reflect the launch of Quick Reserve for Non-BM participation and updates timelines for Fast Reserve phase out. Updates to 3.2 (f) for Slow Reserve to reflect anticipated delivery timescales and expected service go-live.

Public

Industry responses

NESO received valuable responses to the changes proposed to the BPS Statement as part of this annual review, which resulted in further changes being proposed throughout the consultation process. Responses to the individual feedback raised is detailed in **Annex 1** and highlighted in **Table 4** in the Appendix where this may have resulted in any further revisions proposed to the statement.

Change summary

Please see the tracked changes document for the BPS for detail of the full proposed changes. This is stored within the folder “**C9 Consultations, 2026–2027**” which can be located on the [C9 webpage](#).

The key amendments proposed to the BPS Statement are detailed in **Table 4 in the Appendix**.

9. Proposals for the System Management Action Flagging (SMAF) Methodology Statement (2026–2027)

The System Management Action Flagging Methodology Statement (SMAF) sets out the means which NESO will use to identify (using reasonable endeavours) balancing services that are for system management reasons, these services are subsequently classified as SO-Flagged.

We have proposed updates to the SMAF Methodology to reflect recent and required changes. The suggested amendments are as summarised:

- General housekeeping updates (version control, formatting, spelling, grammar, contact details, links) and improvements to clarity and readability.
- Updates to explain the development of the SMAF statement to align C9 introductions and clarify NESO’s role and Authority approval.
- Updates to include DFS, providing clarification that all accepted DFS bids, including test runs, will be assessed for SO-Flagging, reflecting evolving service design (turn-up and locational flexibility). Please note the proposed DFS service changes remain subject to Authority decision under the EBR Article 18 consultation.
- Updates to references from NESO to “System Operator” in Automatic Low Frequency Demand Disconnection (LFDD) to ensure accuracy, as NESO did not exist in 2015.

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Industry responses

NESO received valuable responses to the changes proposed to the SMAF Methodology Statement as part of this annual review. Responses to the individual feedback raised are detailed in **Annex 1** and highlighted in **Table 5 in the Appendix** where this may have resulted in any further revisions proposed to the statement.

Change summary

Please see the tracked changes document for the SMAF Methodology Statement for full detail of the proposed changes. “**C9 Consultations, 2026–2027**” which can be located on the [C9 webpage](#).

The key amendments proposed to the SMAF Statement are detailed in **Table 5 in the Appendix**.

10. Next Steps

Following the close of the official industry consultation, we invite the Authority to review the proposed changes and offer any direction/approval or feedback by 13 March 2026. If the Authority does not approve these proposed changes to the C9 statements, the existing versions will remain in place. Subject to Authority direction, the proposed changes will become effective from 1 April 2026, unless directed earlier by the Authority.

Please see the following documents which will be published on the NESO website, within the [2026–2027 consultation folder](#).

- Procurement Guidelines Statement v27 effective from 01 2026 tracked changes for Report Submission
- ABSVD Methodology Statement v21 effective from 01 April 2026 tracked changes for Report Submission
 - Appendix H - ABSVD Statement v21 Clean Copy Example effective from 01 April 2026 for Report Submission
- BSAD Methodology Statement v27 effective from 01 April 2026 tracked changes for Report Submission
 - Appendix I - BSAD Statement v27 Clean Copy Example effective from 01 April 2026 for Report Submission
- Balancing Principles Statement v27 effective from 01 April 2026 tracked changes for Report Submission

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- SMAF Methodology Statement effective from 01 April 2026 tracked changes for Report Submission
- Annex 1 - C9 Consultation Responses 2025-2026
- [C9 Industry Webinar Q&A](#)

11. Appendix

The following tables present a comprehensive overview of all proposed changes detailed in each tracked change statement included in the report submission, along with justifications for the suggested revisions.

The tables outline where changes may have been made due to industry feedback throughout the consultation process. Full details of the non-confidential industry responses to the official consultation can be found in Annex 1, accompanied with a NESO response. This can be found on the NESO C9 website, within the [2026-2027 consultation folder](#).

Table 1 - PGS final proposed revisions

Change ID	Page numbers	Section	Change summary	Rationale
PGS.01	All	Housekeeping	General housekeeping updates to version control, formatting, spelling, grammar, contact information and link updates as normal.	Enhance clarity and readability throughout the statement.
PGS.02	5	Introduction	Wording added regarding development of the PGS statement.	To align C9 statement introductions and clarify the C9 statement has been developed by NESO, in consultation with industry and approved by the Authority, in accordance with our ESO Licence.

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PGS.03	14	Balancing Mechanism Offers and Bid	Wording added to Balancing Mechanism Offers and Bid section, within Part B, section 1.	Ensure accurate representation of units NESO utilises in the Balancing Mechanism (BM).
PGS.04	15	Procurement Principles	Wording updated from 'Forward Plan' to 'Business Plan', within Part B section 2.	Ensure use of correct terminology for improved clarity.
PGS.05	20-21	Taking actions outside the Balancing Mechanism	Wording added and updated to Part B, section 3. Taking actions outside the Balancing Mechanism, relating to Forward Trading.	Increase transparency around what is considered to be Forward Trading and to provide clarity regarding Grid Trade Master Agreements.
PGS.06	21-22	Taking actions outside the Balancing Mechanism: Net Transfer Capacity (NTC)	Wording added for Net Transfer Capacity (NTC) section, within Part B, section 3.	Increase transparency and clarity regarding NTC Methodology and Policy.
PGS.07	22-24	System Ancillary Services	Wording added and updated to Part C, section 1 System Ancillary Services.	Clarify requirements under Connection 8.1 of the Grid Code.
PGS.08	24	The Future Requirements for Part 2 System Ancillary Services	Wording updated relating to the Electricity System Restoration Assurance Framework, within	References the most current framework document and updates hyperlink.

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			Part C, section 1 The Future Requirements for Part 2 System Ancillary Services.	
PGS.09	25	The Future Requirements for Part 2 System Ancillary Services	Wording removed relating to Dynamic Services within Part C, section 1 The Future Requirements for Part 2 System Ancillary Services.	Eliminate repetition; Dynamic services are described elsewhere in the document.
PGS.10	27	Constraint Management Services	Wording removed from Constraint Management Services section, within Part C, section 1, relating to changes to loss of mains protection procurement.	To update in line with NESOs current procurement practices for the 2026-2027 procurement year.
PGS.11	27-28	Commercial Ancillary Services	Wording for Balancing Reserve is removed from Part C, section 1 within Commercial Ancillary Services list, to section 2.1.	To avoid duplication and improve statement readability.
PGS.12	30-31	Balancing Reserve	Wording added for Balancing Reserve around co-optimising auction timing, within Part C section 2.1.	Clarify updates to the Balancing Reserve service for the 2026-2027 procurement year. Please note, wording has been updated in the report submission text, in light of feedback from the official consultation.

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PGS.13	32	Quick Reserve	Wording updated for Quick Reserve for Non-BM participants, within Part C section 2.1.	Reflect service updates following Non-BM Quick Reserve Go Live.
PGS.14	33-34	Super SEL	Existing wording for Super SEL moved within statement from page pp43-44 to within Part C section 2.1.	Place SuperSEL wording in the Reserve section to clarify service categorisation; wording unchanged.
PGS.15	36	Static FFR (SFFR)	Wording added for Static FFR (SFFR) to reflect proposed changes to the service, within Part C, section 2.1.	Update to reflect proposed changes to SFFR for the 2026-2027 procurement year. ⁹ Please note changes proposed to SFFR service are still subject to an Authority decision as part of the SFFR EBR Article 18 consultation.
PGS.16	37-40	Obligatory Reactive Power Services (ORPS)	Wording removed, updated and added for the Obligatory Reactive Power Services (ORPS) section within Part C section 2.1.	Wording removed to clarify distinction between commercial services and System Ancillary Services. ORPS is a System Ancillary Services which are covered in Part C, System Ancillary Services. Wording updated and added to clarify Reactive Power Procurement and

⁹ For more information regarding the changes NESO is proposing for SFFR in the EBR Article 18 consultation (now closed at the time of this publication), please visit the [SFFR webpage](#).

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				new markets for 2026-2027.
PGS.17	40	Constraint management services	Wording added for Constraint management services section, within Part C section 2.1.	Clarify categorisation.
PGS.18	41	Megawatt Dispatch (MWD)	Wording updated within Megawatt Dispatch (MWD) section, within Part C section 2.1.	Clarify future development for potential expansion of MWD type of solutions.
PGS.19	41-42	Local Constraint Market (LCM)	Wording updated within Local Constraint Market (LCM) section within Part C section 2.1.	Clarify any changes for LCM for the procurement year 2026-2027.
PGS.20	43-44	Demand Flexibility Service (DFS)	Wording updated and added for DFS within Part C section 2.1.	Clarify proposed changes for DFS for the procurement year 2026-2027 ¹⁰ . Please note changes proposed to the DFS service are still subject to an Authority decision as

¹⁰ For more information regarding the changes NESO is proposing for DFS in the EBR Article 18 consultation (now closed at the time of this publication), please visit the [DFS webpage](#).

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				part of the EBR Article 18 consultation.
PGS.21	44-45	Constraints Collaboration Project (CCP)	Wording added for Constraints Collaboration Project (CCP) within Part C section 2.1.	Updated in line with informal consultation to industry feedback for further information, to improve formatting to clarify information regarding CCP, associated projects and potential tendering for the procurement year 2026-2027. Further information on CCP, project developments and upcoming engagements can be found on the CCP website .
PGS.22	45-46	Stability markets	Wording updated to Stability markets section, within Part C section 2.1.	Clarify day ahead stability market consideration for the procurement year 2026-2027.
PGS.23	47	Other Reserves – commercial	Wording updated within Part C section 2.2, within Other Reserves – commercial.	Clarify the services classed as other Reserves that we do not plan to procure any additional volumes of the following services above what we already have contracted.
PGS.24	47	Dynamic Frequency Response (DFFR)	Wording removed for Dynamic Frequency Response (DFFR), within Part C section 2.2.	Clarify that the service ceased in 2023.

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PGS.25	49	Enhanced Reactive Power Service (ERPS)	Wording updated for Enhanced Reactive Power Service (ERPS), within Part C section 2.2.	Clarify plans to remove ERPS, with removal pending the launch of the mid-term reactive power market.
PGS.26	52	Demand Side Providers and Small Generators	Wording removed from Part C, section 3 Demand side providers and small generators relating to Power Potential Innovation project.	Remove references to the project which ended in 2020.
PGS.27	56-57	Table 1: BM Trading and System Ancillary Services	Updates added to Table 1: BM Trading and System Ancillary Services, within Part D.	Clarify services for the 2026-2027 procurement year.
PGS.28	57-60	Table 2: Active Commercial Ancillary Services	Updates added to Table 2: Active Commercial Ancillary Services, within Part D.	Clarify services for the 2026-2027 procurement year.
PGS.29	62-63	Table 3 Commercial Ancillary Services under review	Updates added to Table 3 Commercial Ancillary Services under review, within Part D.	To improve formatting, alignment for clarity, to reflect status of removal of Enhanced Reactive Power Services. Updated in line with informal consultation industry feedback to include Hydro Optional Spin Gen and Hydro Optional Pump De-Load services.
PGS.30	64	General Provisions	Updates added to Part E General Provisions, section 1 relating to the 2021-	To reflect the right document. In November 2025, NESO published our second business plan as

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			2026 regulatory framework.	the National Energy System Operator and the first under the post-RIIO-2 regulatory framework.
PGS.31	69-74	Table 2: Balancing Services Information Provision Summary	Updates added to Table 2: Balancing Services Information Provision Summary, within part E.	To update table numbering and information provision for services, whilst also improving table clarity, formatting, and alignment.

Table 2 - ABSVD final proposed revisions

Change ID	Page numbers	Section	Change summary	Rationale
ABSVD.01	All	Housekeeping	General housekeeping updates to version control, contents page. formatting, spelling, grammar, contact information and link updates as normal.	To improve clarity and readability throughout the statement.
ABSVD.02	All	Housekeeping	Wording for Transmission Licence updated to NESO Electricity System Operator Licence and clarity provided for references to NESO.	To reflect NESO's transition from NGENSO and ensure accurate licensing references.
ABSVD.03	All	Housekeeping	Legacy references to C16 updated to C9 as relevant.	As a result of the transition from NGENSO to the National Energy System Operator, the Electricity System Operator Licence has

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				taken effect, requiring updates to reflect the correct licensing references.
ABSVD.04	8-16	Introduction	Restructuring of the start of the statement: introducing Part A Introduction to contain 2 parts: Foreword section and Purpose of Document section. Existing wording removed, updated and new wording added within new Part A.	Sections consolidated to enhance clarity, remove duplication and improve readability at the start of the statement. Amendments also clarify NESO and Elexon roles and responsibilities within the ABSVD process. To also align C9 statement introductions and clarify the C9 statement has been developed by NESO, in consultation with industry and approved by the Authority, in accordance with our ESO Licence.
ABSVD.05	17	Basis of Calculation	Wording removed and existing wording updated within Part B, section 1 Basis of Calculation.	Sections consolidated to enhance clarity for Balancing Mechanism Units, remove duplication and improve readability at the start of the statement

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ABSVD.06	17-23	Variables included in the ABSVD & Balancing Services for inclusion in the ABSVD.	Wording removed, existing wording updated, and section retitled within Part B, section 1.1 Variables included in the ABSVD and Section 1.2 Balancing Services for inclusion in the ABSVD.	<p>To improve clarity around Balancing Mechanism Units and to clarify the specific process within the BSC.</p> <p>To focus the statement on NESO processes and clarify NESO/Elexon roles and responsibilities.</p> <p>To improve clarity on treatment of DFS BM ABSVD Volumes delivered by a Non-BM provider (without its own individual BM Unit) and submitted to Elexon via BM ABSVD applied process (p21-22).</p> <p>To align with NESO's process, as NESO sends BOA instruction data to Elexon for volume calculation (pp21-22).</p>
ABSVD.07	23-24	ABSVD Provision	Wording updated within Part B, section 1.3 ABSVD Provision.	To improve clarity and readability.
ABSVD.08	24	Re-submission of ABSVD	Wording updated within Part B, section 1.5 Re-submission of ABSVD.	To improve clarity and readability.
ABSVD.09	25-26	Applicable Balancing Services Volume Data	Existing Wording for Disputes (pp50-52) have been moved to within Part B:	To improve readability and clarity of the disputes process for BM participants.

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		'ABSVD For BM Participants	Applicable Balancing Services Volume Data 'ABSVD For BM Participants, with a minor change to wording.	To also replace the previous reference to telephone meetings with wording that accommodates both in-person and virtual meetings.
ABSVD.10	27-33	Applicable Balancing Services Volume Data (ABSVD) For Non-BM Providers, Balancing Services for inclusion in the ABSVD & ABSVD Calculation for Non-BM Providers for Applicable Reserve Balancing Services	Wording updated, section retitled and synthesised for Part C: Applicable Balancing Services Volume Data (ABSVD) For Non-BM Providers, section 1 Balancing Services for inclusion in the ABSVD and section 2. ABSVD Calculation for Non-BM Providers for Applicable Reserve Balancing Services.	Sections consolidated and updated to simplify content, remove repetition and enhance readability, making the methodology easier to understand and apply regarding the ABSVD process for Non-BM volumes. It also clarifies NESO/Elexon roles and responsibilities. Please note the tracked change document has been updated (p29) in the report submission to ensure it aligns with the clean copy example. The wording for DFS non-BM HH settled Domestic customers in Table 3 has been removed as this information is already included and explained in Table 1 (p21-22). In the official

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				<p>consultation the clean copy reflected this removal, but the tracked change document did not.</p> <p>Please note that this section contains an additional amendment not previously covered in the official consultation. NESO is recommending its inclusion as part of the suite of proposed revisions. Renewable assets have also been included within the DFS section (p29) as with moving the service to a bi-directional service, we expect renewable assets to participate by turning down generation, and felt that separating out this asset class would offer greater transparency.</p>
ABSVD.11	34	Registration of Metering System Identifier (MSID) pairs	New section added, Registration of Metering System Identifier (MSID) pairs.	To clarify the process for MSID registration.
ABSVD.12	34-36	ABSVD Provision for Applicable Reserve Balancing Services from	Wording updated within Part C, section 3. ABSVD Provision for Applicable Reserve Balancing Services	To clarify the process and NESO/Elexon roles and responsibilities.

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		Non-BM Providers	from Non-BM Providers.	
ABSVD.13	36	ABSVD Calculation and Submission for Non-BM Providers for Applicable Response Balancing Services	Wording removed within Part C, Section 4. ABSVD Calculation and Submission for Non-BM Providers for Applicable Response Balancing Services.	To improve clarity, as this information has been included in the NBM table.
ABSVD.14	36-37	Re-submission of ABSVD section	Wording updated within Part C, Section 5 Re-submission of ABSVD section.	To enhance clarity and readability throughout the statement and contact information.
ABSVD.15	37-39	Applicable Balancing Services Volume Data 'ABSVD For Non-BM Participants	Existing Wording for Disputes (pp60-62) have been moved to within Part C: Applicable Balancing Services Volume Data 'ABSVD For Non-BM Participants, with a minor change to wording.	To improve readability and clarity around the dispute process for Non-BM participants. To also replace the previous reference to telephone meetings with wording that accommodates both in-person and virtual meetings.
ABSVD.16	40-50	ABSVD Methodology for BM Participants	Removal of Part D: ABSVD Methodology for BM Participants, section 1. Principles within Part D ABSVD Methodology for BM Participants section.	To streamline the document, signpost ABSVD process, and clarify NESO/Elexon roles and definitions. Removed formulas and calculations related to Elexon Imbalance calculation to align

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				with the document's scope and purpose.
ABSVD.17	52-59	Worked examples	Removal of Part D, Section 3. Worked examples, Section 3.1 Provision of Mode A Frequency Response example and 3.2 Provision of Short Term Operating Reserve (STOR).	To streamline the document and focus on NESO processes; removed Elexon Imbalance calculations to align with the document's scope and purpose.
ABSVD.18	60-63	ABSVD Methodology for Non-BM Providers	Removal of Part E ABSVD Methodology for Non-BM Providers section 1. Principles, 2. Disputes and 3. Calculation of ABSVD.	Section 1 and 2 removed to remove duplication due to section wording moved elsewhere in document and removes reference to Elexon's process. Section 3 removed as this section refers only to expected volumes. This information has also been included within the NBM table.

Table 3 - BSAD final proposed revisions

Change ID	Page number	Section	Change summary	Rationale
BSAD.01	All	Housekeeping	General housekeeping updates to version control, contents page, formatting, spelling, grammar, contact information and link updates as normal.	Enhance clarity and readability throughout the statement.

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BSAD.02	All	Housekeeping	Legacy references to “ESO”, “NGESO” “National Grid” deleted and replaced with “NESO” where applicable.	The Energy Act of 2023 created NESO as an independent public body, separating it from National Grid PLC. NESO began operations in October 2024.
BSAD.03	All	Housekeeping	Legacy references to other conditions under the transmission licence updated to reflect new condition references under the Electricity System Operator Licence i.e. references to C16 updated to C9 as relevant.	As a result of the transition from NGESO to the National Energy System Operator, the Electricity System Operator Licence has taken effect, requiring updates to reflect the correct licensing references.
BSAD.04	8-14	Introduction	Restructuring of the start of the statement: introducing Part A Introduction to contain 2 parts: Foreword section and Purpose of Document section. Existing wording removed, updated and new wording added within new Part A.	Sections consolidated to enhance clarity, remove duplication and improve readability at the start of the statement. To also align C9 statement introductions and clarify the C9 statement has been developed by NESO, in consultation with industry and approved by the Authority, in accordance with our ESO Licence.
BSAD.05	14-15	Balancing Services Adjustment Data (BSAD)	Existing wording removed, updated and new wording added to Part B: Balancing Services	Sections consolidated and updated to simplify content and enhance readability, making the

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			Adjustment Data (BSAD) section updated.	methodology easier to understand and apply.
BSAD.06	16-17	Balancing Service Adjustment Actions	Wording updated within Part B, section 2. Balancing Service Adjustment Actions.	Sections consolidated and updated to simplify content and enhance readability, making the methodology easier to understand and apply.
BSAD.07	18-24	Balancing Services included within Balancing Service Adjustment Actions	Wording removed and updated within Part B, section 2.1 Balancing Services included within Balancing Service Adjustment Actions.	<p>Sections consolidated and updated to simplify content and enhance readability, making the methodology easier to understand and apply.</p> <p>Note 4 wording updated to remove reference to the Elexon process to avoid suggesting different treatment of volumes for system flagged events. Please note changes proposed to the DFS service are still subject to an Authority decision as part of the EBR Article 18 consultation.</p> <p>Please note, wording has been updated in the report submission text, in light of feedback from the official consultation.</p>
BSAD.08	25	Buy Price Adjuster (BPA)	Wording removed from within Part B, section 3. Buy Price Adjuster (BPA) section.	Wording removed due to being irrelevant to the formula described within the section.

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BSAD.09	26-27	Buy Price Adjuster and BM Start Up.	Wording removed and updated from within Part B, section 3.1, Buy Price Adjuster and BM Start Up.	The reference is to the BM Start Up service and not related to BSAD process.
BSAD.10	28-29	Worked Example: Buy Price Adjuster.	Wording added and existing wording updated within Part B, section 3.1.2 Worked Example: Buy Price Adjuster.	To provide additional clarity to the BPA Calculation process and signpost where further information can be found.
BSAD.11	30-32	BSAD submission	Wording added and existing wording updated within Part C, section 1. BSAD submission.	Sections updated to simplify content and enhance readability, making the methodology easier to understand and apply. It also signposts where further information and datasets associated to BSAD can be found. Please note, wording has been updated in the report submission text, in light of feedback from the official consultation.
BSAD.12	33-34	Re-submission of BSAD	Wording removed and existing wording updated from Part C, section 2. Re-submission of BSAD section.	To ensure the statement reflects the process accurately and provides additional contact information for BSAD related queries.

Table 4 - BPS final proposed revisions

Change ID	Page numbers	Section	Change summary	Rationale
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BPS.01	All	Housekeeping	General housekeeping updates to formatting, spelling, grammar, contact information and link updates as normal.	Enhance clarity and readability throughout the statement.
BPS.02	All	Housekeeping	Legacy references to “ESO”, “NGESO”, “NGET” and “National Grid” deleted and replaced with “NESO” where applicable.	The Energy Act of 2023 created NESO as an independent public body, separating it from National Grid PLC. NESO began operations in October 2024.
BPS.03	All	Housekeeping	Legacy References to C16 updated to C9 as relevant.	As a result of the transition from NGESO to the National Energy System Operator, the Electricity System Operator Licence has taken effect, requiring updates to reflect the correct licensing references.
BPS.04	4	Introduction	Wording added regarding development of the BPS statement.	To align C9 statement introductions and clarify the C9 statement has been developed by NESO, in consultation with industry and approved by the Authority, in

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				accordance with our ESO Licence.
BPS.05	11	Licence Duties	Wording updated within Part B General Principles, section 1 Licence Duties.	Removes outdated wording.
BPS.06	12-14	Licence Duties	Wording updated within Part B General Principles, section 1 Licence Duties.	Clarifies the government’s Clean Power 30 (CP30) metrics within our net zero statutory obligation (Energy Act s.163(1)(a)). Updates references and provision of information for Network Services. Please note, the wording has been updated in the report submission text, in light of feedback from the official consultation.
BPS.07	16-25	General Principles & Principles Underlying Balancing Measures	Wording added to Part B: and Part C for Non-BMUs.	Clarify requirements for Non-BMUs.
BPS.08	19	System and Localised Negative Reserve Active Power Margin	Wording updated in Part B (c) System and Localised Negative Reserve Active Power Margin.	Update references to ‘synchronised’ to reflect the changing nature of providers that can provide reserve.
BPS.09	22	Communication Failure	Wording updated for Part B Section (g)	Update outdated references to NGET.

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			communication failure.	
BPS.10	27	Principles underlying balancing measures	Wording added to Balancing Principles Part C, section 4 to consider cost changes after instructing a longer notice service.	Clarifies that a full post event look back may appear out of cost order due to changes in costs that occurred between different procurement times.
BPS.11	32	Net Transfer Capacity (NTC)	Wording updates and added within the NTC description, within Part C, section 10.	Clarifies existing use of the term “economic”, which could be misleading and does not align with Ofgem’s NTC derogation decisions ¹¹ 2 or NESO’s approach.
BPS.12	35	Year Ahead	Wording updated to Part D, section 2.1 Year Ahead, point (i).	Updated in line with informal consultation industry feedback, NESO agrees the reference to ‘NGET’ should be updated to ‘Transmission Owner’ as the correct reference.
BPS.13	37	Transmission Constraint Management and	Wording updated to Part D Transmission Constraint	Updated in line with informal

¹¹ <https://www.ofgem.gov.uk/decision/decision-grant-national-grid-electricity-system-operator-extension-derogation-standard-licence-condition-c28-net-transfer-capacity-september-2023#:~:text=Under%20our%20powers%20outlined%20in,expiring%20on%2030%20September%202026.>

¹² <https://www.ofgem.gov.uk/decision/decision-grant-national-grid-electricity-system-operator-derogation-standard-licence-condition-c28-procure-net-transfer-capacity-non-market-based-manner>

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		Response/Reserve Principles	Management and Response/Reserve Principles, section 2.2, step 4.	consultation industry feedback, to improve formatting, to reflect that other Balancing Services, not just the BM Start Up service, are considered to maintain system security of the transmission system at the day ahead stage.
BPS.14	39-40	New localised constraint management services – Regional Development Program	Wording updated relating to MW Dispatch, within Part D, section 2.5.	Reflects current service terms.
BPS.15	42	Response - Dynamic Containment	Wording added relating to Dynamic Containment, within Part D, section 3.1.	Ensures all Dynamic services are included, maintaining alignment across PGS and BPS.
BPS.16	43	Reserve - Regulating Reserve	Wording updated relating to Regulating Reserve, Part D section 3.2 b).	Update references to 'synchronised' to reflect the changing nature of providers that can provide reserve.
BPS.17	43-44	Reserve - Balancing Reserve	Wording updated and added relating to Balancing Reserve within Part D, section 3.2 (b).	Provides clarity on Balancing Reserve auction timings, in light of Ofgem approval in 2025.

Public

				Please note, the wording has been updated in the report submission text, in light of feedback from the official consultation.
BPS.18	45-46	Reserve - Quick Reserve	Wording updated relating to Quick Reserve within Part D, section 3.2 (e).	Reflects the launch of the service to allow Non-BM participation since the last statement revision and updates timelines for Fast Reserve phase out.
BPS.19	46	Reserve - Slow Reserve	Wording updated relating to Slow Reserve Part D, section 3.2 (f).	Reflects anticipated delivery timescales and expected service go-live.

Table 5 - SMAF final proposed revisions

Change ID	Page numbers	Section	Change summary	Rationale
SMAF.01	All	Housekeeping	General housekeeping updates to version control, formatting, spelling, grammar, contact information, licence references and link updates as normal.	Enhance clarity and readability throughout the statement.
SMAF.02	4	Introduction	Wording added regarding development of the SMAF statement.	To align C9 statement introductions and clarify the C9 statement has been developed by

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				NESO, in consultation with industry and approved by the Authority, in accordance with our ESO Licence.
SMAF.03	11	Balancing services that will be SO-Flagged	Addition of wording to section 2. The balancing services that will be SO-Flagged for DFS.	<p>To provide clarity that all accepted bids for DFS will be considered, to determine whether they were used for system management reasons.</p> <p>To clarify that test runs also fall under this definition. This allows NESO to correctly reflect the use of the service as more flexibility is introduced with turn up and locational elements.</p> <p>Please note changes proposed to the DFS service are still subject to an Authority decision as part of the EBR Article 18 consultation.</p>
SMAF.04	13	Automatic Low Frequency Demand Disconnection (LFDD) actions	Reference updated from NESO to refer to "System Operator" within paragraph referring to notifications around Automatic Low Frequency Demand Disconnection.	The referenced text passage pertains to events in 2015, prior to the establishment of NESO. NESO was not in existence at that time, so references have been updated to

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				accurately reflect the organisational context.
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