Public

# Procurement Guidelines

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**Version Number: 29~~28~~**

**Published in accordance with Standard Condition C9 of the National Energy System Operator ~~-~~Electricity System Operator Licence.**

**Version Control**

| Version control Date | Version no. | Notes |
|---|---|---|
| 20.03.01 | 1.0 | Initial version |
| 21.09.01 | 1.1 | Revision to initial version to incorporate new intentions on the procurement of Fast Reserve |
| 01.05.02 | 2.0 | Annual revision incorporating updates to information provision and Licence Condition references |
| 01.05.03 | 3.0 | Revision following annual review |
| 28.11.03 | 3.1 | Revision to incorporate introduction of Maximum Generation Service, POT, and the development of demand side services |
| 01.05.04 | 4.0 | Revision following annual review |
| 04.10.04 | 4.1 | Revision to incorporate changes as a result of CAP071: the development of Maximum Generation Service |
| 01.01.05 | 4.2 | Revision to incorporate changes relating to BETTA |
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| Version control Date | Version no. | Notes |
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| 02.09.05 | 5.0 | Revision to incorporate changes relating to the provision of warming data; and the informal annual review |
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| 01.11.06 | 7.0 | Revision to incorporate the replacement of the Warming & Hot Standby service with BM Start Up service |
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| 01.04.13 | 11.0 | Revision following annual review |
| 01.01.14 | 12.0 | Revision to incorporate changes for Supplemental Balancing Reserve and Demand Side Balancing Reserve |
| 01.04.14 | 13.0 | Revision to incorporate Commercial Frequency Management as part of the annual review |
| 01.04.16 | 14.0 | Revision following annual review |

| Version control Date | Version no. | Notes |
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| 01.04.17 | 15.0 | Revision to remove Demand Side Balancing Reserve and add Demand Turn Up |
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| 01.04.22 | 21.0 | Revision following annual consultation |
| 04.11.22 | 22.0 | Revision following additional review to incorporate changes required for the Demand Flexibility Service |
| 1.04.23 | 23.0 | Revision following annual consultation |
| 1.04.23 | 23.1 | Revision following annual consultation, incorporating iterations requested by the Authority |

| Version control Date | Version no. | Notes |
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| 02.11.23 | 24 | Revision following additional review to incorporate changes required for Demand Flexibility Service, Local Constraint Market, MW Dispatch and Enduring Auction Capability. |
| 01.04.24 | 25 | Revision following annual review |
| 04.10.2024 | 26 | Revision following additional review |
| 01./04/.2025 | 27 | Revision following annual review |
| 23:00 02.09.25 | 28 | Revision following ad hoc review to give effect to changes for Quick and Slow Reserve and to update contact email addresses following NESO IT changes. |
| 01.04.26 | 29 | Revision following annual review |

The Procurement Guidelines (Guidelines) have been developed ~~–~~by the National Energy System Operator (NESO) in consultation with industry and approved by the Authority in accordance with our Electricity System Operator (ESO) Licence. ~~in consultation with the Authority.~~ The Guidelines may only be modified in accordance with the processes set out in Standard Condition C9 of the NESO's ESO Licence~~National Energy System Operatory Electricity System Operator~~

~~Licence~~. ~~-~~We will continuously monitor the validity of the Guidelines and intend, in discussion with the Authority, to periodically review the form of the Guidelines and, where appropriate, make such revisions as are necessary.

In the event that it is necessary to modify the Guidelines in advance of issuing the annual updated version of this document, then this will be done in accordance with Standard Condition C9.

The latest version of this document is available, together with the relevant change marked version (if any), electronically from our website:

C9 statements and consultations | National Energy System Operator

Alternatively, a copy may be requested from:

Director- of Markets
National Energy System Operator
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Public

Email:

~~BalancingServices@neso.energy~~customerservice@neso.energy

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## 6. Future Developments

# PART A: INTRODUCTION

## 1. Purpose of Document

This document sets out the Procurement Guidelines ("the Guidelines") which National Energy System Operator Limited (NESO) is required to establish in accordance with Standard Condition C9 of NESO's Electricity System Operator Licence. -The purpose of these Guidelines is to set out the kinds of Balancing Services which we may be interested in purchasing, together with the mechanisms by which we envisage purchasing such Balancing Services within the next financial year.

The Guidelines are not prescriptive of every possible situation that we are likely to encounter, but rather represent a generic statement of the procurement principles we expect to follow.

The remainder of this document is structured in four parts.

- Part B sets out the broad definitions of Balancing Services, the general principles we expect to follow in procuring such services, the relationship between various Balancing Services and a description of actions that will be taken outside of the Balancing Mechanism (BM).
- Part C describes the types of Balancing Services we expect to procure.~~ and~~

- Part D sets out the procurement mechanisms we expect to utilise in procuring such Balancing Services.
- Part E contains historical Balancing Services volumes and describes other information we will provide to ensure that appropriate signals are available to market participants and other interested parties.

In the event that it is necessary to modify the Guidelines in advance of issuing the annual updated version of this document, then this will be done in accordance with Standard Condition C9 of the NESO's Electricity System Operator Licence.

The Guidelines have been developed in consultation with the Authority and Industry Participants. The Guidelines may only be modified in accordance with the processes set out in Standard Condition C9 of NESO's Electricity System Operator Licence. We will continuously monitor the validity of the Guidelines and intend, in discussion with the Authority, to periodically review the form of the Guidelines and, where appropriate, make such revisions as are necessary.

The Guidelines make reference to a number of definitions contained in the Grid Code and Balancing and Settlement Code. In the event that any of the relevant provisions in the Grid Code or Balancing and Settlement Code are amended, it may become necessary for us to modify the Guidelines in order that

they remain consistent with the Grid Code and/or Balancing and Settlement Code.

In any event, where our statutory obligations or the provisions of the Grid Code are considered inconsistent with any part of these Guidelines, then the relevant statutory obligation and/or Grid Code provision will take precedence.

Unless defined in the Guidelines, terms used herein shall have the same meanings given to them in the Electricity ~~Transmission~~ System Operator Licence, the Grid Code and/or the Balancing and Settlement Code as the case may be.

The latest version of this document is available electronically from our website. Alternatively, a copy may be requested from the ~~Head~~ Director of Market Services. Full contact details are set out in Part E of this document.

# PART B: GENERAL PRINCIPLES

## 1. Balancing Services

The services that we need to procure in order to operate the transmission system constitute Balancing Services.

The Electricity System Operator Licence defines Balancing Services as:

(a) Ancillary Services;

(b) Offers and Bids made in the Balancing Mechanism;

(c) Restoration Services;

~~(d) And~~

(de) and other services available to the licensee which serve to assist the licensee in co-ordinating and directing the flow of electricity onto and over the GB transmission system in accordance with the Act or the standard conditions and/or in doing so efficiently and economically, but shall not include anything provided by another transmission licensee pursuant to the STC.

In addition to the above definitions and separate to the transmission licence, replacement reserve shall also constitute as a balancing service.

**Ancillary Services:**

These services are described in Connection Condition 8 of the Grid Code and are classed as either System Ancillary Services provided only by Generators and HVDC System Operators or Commercial Ancillary Services which can be provided by any party.

**Balancing Mechanism Offers and Bids:**

These are commercial services offered by generators and suppliers and procured through arrangements set out in Paragraph 5.1, Section Q of the Balancing and Settlement Code. They represent a willingness to increase or decrease the energy output and/or consumption from Balancing Mechanism Units (BMUs) in exchange for payment. Accepted services are used to control the national and local balance of generation and demand.

**Other Services:**

These are commercial services that can be entered into with any party, which are classified neither as Ancillary Services nor as BM Offers and Bids.

**Replacement Reserve:**

This is a commercial service offered by, generators, suppliers and virtual lead parties and represent a willingness to increase or decrease the energy output

from Balancing Mechanism Units in exchange for payment.

## 2. Procurement Principles

The NESO is incentivised by new licence conditions to establish a ~~Forward Plan~~Business Plan and to report on progress throughout the year. Full details of our incentives including monthly performance reporting is available on the **NESO website.**

In line with our incentives, when procuring Balancing Services, we will apply the following principles.

- Without prejudice to the factors below and after having taken relevant price and technical differences into account, we shall contract for Balancing Services in a non-discriminatory manner, including promoting net-zero solutions.

- In contracting for the provision of Balancing Services we will purchase from the most economical sources available to us having regard to the quality, quantity and nature of such services at that time available for purchase.

- The types of issues considered with regards to quality and nature are best explained via an example. When considering a requirement for frequency response from two potential providers we will have regard to the quality, quantity and nature of frequency response available for purchase. In assessing the quality of the service we will consider, for example, the historical performance of the provider. In assessing the nature of the service we will consider, for example, whether the nature of the provider's frequency response service is dynamic or static.

- We will seek to procure Commercial Ancillary Services via an appropriate competitive process (identified in Table ~~1~~2) or market mechanism, as described in Part D of this document. In such instances, we shall provide a statement indicating the processes and terms under which contracts will be awarded. Copies of these statements are available from the Information Provision Contact listed in Part E of this document.

- The requirement for Commercial Ancillary Services will be published on our website.

- We do not plan to procure any new, or additional volumes of existing Commercial Ancillary Services contracts outside of a competitive process or market mechanism. Our longer-

term strategy is to reduce the number of existing Commercial Ancillary Services contracts that are procured outside of a competitive process or market mechanism.

- We shall advertise the requirement for Commercial Ancillary Services as appropriate through the communication media set out in Part D of this document.

- If a third party requires Balancing Services, and if we secure provision of such services on their behalf, the associated costs of provision will be fully recharged to the party requiring such services.

- Where NESO conducts Ancillary Services trials that involve additional provider contracts, we will publish the timelines, purpose and results of these trials in the Market Information Reports, or through the Network Innovation publications, both published on the NESO website.

- NESO may use trials to test new approaches. NESO will seek to ensure that trial arrangements are fair and do not materially distort established markets ~~where ever~~wherever possible. Bilaterally agreed (bespoke) trial arrangements should only be remunerated 'at cost' and/or should be time or cost limited unless or until the opportunity to participate has also been opened up to the rest of the market.

## 3. Taking Actions Outside the Balancing Mechanism (BM)

We will need to procure Ancillary Services and "Other Services" for:

- **System Security** - Services may be procured outside the BM if we consider that there will be insufficient Offers and Bids available within the BM to balance the system and maintain security of supply.

- **Cost** - Services may be procured outside the BM if we consider that it would provide an economic alternative to purchasing services through the BM.

- **Differentiation** - Services may be procured outside the BM if the required technical characteristics are not available through BM Offers and Bids.

- Our consideration of whether to undertake actions within or outside the BM will be based on a forecast of the level and cost of services expected to be available within the BM. Contracts will be entered into outside the BM when we anticipate a shortage of appropriate Offers and Bids in the BM to meet system security requirements, or if we consider

that such contracts will lead to a reduction in overall cost or provide technical characteristics that are not available through BM Offers and Bids. The principles by which we will forecast the sufficiency or otherwise of Offers and Bids in the BM, and technical characteristics, are set out in the Balancing Principles Statement.

- Ancillary Service Agreements are normally entered into prior to Gate Closure such that prices and service capability are agreed well before they are exercised. –Typically, Ancillary Service Agreements provide for the services to be exercised within Gate Closure timescales and for payments to be made in addition to those made within the BM. An example of this type of payment is the Frequency Response capability payment which is contracted for in advance and then made when a provider is placed in a state where it is capable of deviations in its output as a result of deviations in system frequency.

- System management contracts – agreements for services that help us manage system issues such as stability or voltage; we use these mainly for longer term system requirements or accessing non-BM generation or demand. These may be -optional contracts that are enacted at day-ahead or within day.

- We sometimes buy or sell electricity (in advance of the Balancing Mechanism ~~process~~), called "forward trading". It helps us balance the system and manage system issues ahead of real time.
- Forward Trading is broken into Operating Reserve, Negative Reserve, Response Avoidance, Voltage Constraint Trades, Thermal Constraint Trades, and RoCoF Constraint Trades.
- We use two different trading mechanisms:
  - ~~Forward Trading –~~ Nnegotiated bilateral contracts, which can be tailored to suit the parties' needs, which are used to resolve system issues, such as voltage constraints, thermal constraints or stability.

- ~~You'll find more detail on our website at National Energy System Operator (NESO) | National Energy System Operator. Look under Balancing services, and Trading~~

- Grid Trade Master Agreement (GTMA) Schedule 7A. Where standard energy related services do not provide for our specific requirements, we will seek to amend the standard trading instrument by agreement. For example, for the provision of a MW profile from a specific BMU provider, we may choose to use ~~to use a Grid Trade Master Agreement Schedule 7A~~a GTMA transaction to

ensure that energy is delivered according to that MW profile. —This could be used to synchronise or desynchronise BMUs with dynamics that extend outside the BM.

We may also use GTMA's with counterparties to change the planned position on interconnectors as they are not available in the BM.

- You can find more detail on our website at National Energy System Operator (NESO) | National Energy System Operator, under Balancing services, and- Trading.

- To manage interconnector flows to help manage system issues such as stability or import/export constraints, NESO may need to limit changes to the interconnector scheduled flow occurring during the intraday market, or in the day-ahead market where an intraday market does not exist. We achieve this by using the following mechanism:
  - Net Transfer Capacity (NTC) – bilateral or trilateral agreement to limit the amount of capacity released into the day-ahead or intraday auction. This can also be used to prevent a previously traded position from being unwound back in the other direction. For further information on NTC, please refer to the GB Commercial Compensation Methodology. (titled 'Methodology for GB Commercial Arrangements relating to Interconnector

Capacity Calculation') and the GB NTC Calculation Policy.

## PART C: BALANCING SERVICES REQUIRED

### 1. Types of Balancing Services

There are two broad types of Ancillary Service, as defined in the Grid Code, System Ancillary Services and Commercial Ancillary Services.

**System Ancillary Services**

These are divided into two parts and comprise Part 1 System Ancillary Services that are mandatory services required from all licensed Generators and HVDC System Owners, and Part 2 System Ancillary Services which are services provided by some Generators and HVDC System Owners, on a site by site basis, to meet specific system requirements where agreement is reached.

System Ancillary Services comprise the services as set out in and described in Connection Condition 8.1 of the Grid Code:

- Part 1 System Ancillary Services comprise of minimum requirements for Frequency Response capability and Reactive Power capability:

- For GB Generators caught by the requirements of the Connection Conditions, in respect of Large Power Stations, they are generally required to provide Frequency Response and Reactive Power capability.
- For GB Generators caught by the requirements of the Connection Conditions, in respect of Medium Power Stations (excluding License Exempt Embedded Medium Power Stations (LEEMPS)), are required to provide Reactive Power only.
- For EU Generators caught by the requirements of the European Connection Conditions and with a CUSC contract, in respect of those who own or operate any Type D or Type C Power Generating Module, are required to provide Frequency Response and Reactive Power capability

- ~~All Large and some medium power stations are required to provide Part 1 System Ancillary Services to ensure the provision of a minimum technical capability to provide reactive power and frequency sensitive generation.~~ ~~**reactive power and frequency sensitive generation.**~~

- Where a party wishes to provide Part 2 System Ancillary Services such as Frequency Control by means of Fast Start, System to Generator Operational Inter tripping or Restoration Services (which include Anchor Plant Capability or Top Up Restoration Capability). Upon agreement with NESO, these

services can be provided– as a commercial service. ~~If agreement is reached some generators are required to provide the Part 2 System Ancillary Services for Electricity System Restoration, frequency control by means of Fast Start and System to Generator Operational Intertripping.~~

**Future Requirements for Part 2 System Ancillary Services**

We are interested in discussing arrangements with potential new providers of the Electricity System Restoration service, and in line with the Electricity System Restoration Assurance Framework 2025/26, which outlines ~~the~~ NESO's restoration strategy for the future. We will continue ~~seek~~ to introduce competition to our procurement process by incorporating new categories for Distributed Energy Resources to apply for at distribution level as well as the primary service requirements at transmission level connected generators. We will procure the best technical solutions wherever it is economic and efficient to do so.

There is no requirement for any additional Fast Start Capability beyond the current provision from all existing providers. Requirement for System to Generator Operational Intertripping Schemes will be dependent upon future system development and new connections to the Transmission System. There is also currently no additional requirement for the Maximum Generation service, however this is an ongoing review

~~**Dynamic Services**~~

~~Dynamic Containment (DC), Dynamic Moderation (DM) and Dynamic Regulation (DR) make up our suite of Dynamic Response Services. These response services are designed to support our operations as the electricity system is decarbonised.~~

**Commercial Ancillary Services**

Commercial Ancillary Services, described in Connection Condition 8.2 of the Grid Code, are provided by a User (or other person) if an agreement has been reached, under an Ancillary Services Agreement or Bilateral Agreement. The capability of these Commercial Ancillary Services is set out in the relevant Ancillary Services Agreement or Bilateral Agreement.

We have a requirement for the following categories of Commercial Ancillary Services. A more detailed description of the types and mechanism for these services are provided in section 2.

- **Reserve**: is required to operate the transmission system ~~securely, and~~securely and provides the reserve energy required to meet the demand when there are shortfalls or

surpluses in generation, due to demand changes or generation breakdowns.

- **Response:** is a service we use to keep the system frequency close to 50Hz. Fast acting generation and demand services are held in readiness to manage any fluctuation in the system frequency, which could be caused by a sudden loss of generation or demand.
- **Reactive Power:** we manage voltage levels across the grid to make sure we stay within our operational standards and avoid damage to transmission equipment. Voltage levels are controlled by reactive power, and we pay providers to help manage voltage levels on the system by controlling the volume of reactive power that they absorb or generate.
- **Constraint management services**: Running the transmission network also requires actions to protect equipment, enable access to the system, keep within the Security and Quality of Supply Standards (SQSS) and prevent the loss of large parts of the network. In order to do this, we sometimes ask a service provider to reduce, or constrain, the amount of electricity it's producing. When we do that, we still need the electricity it would have produced – so we can balance the system – but we can't move it in or out of a certain area. We make up the difference by buying energy from another provider in a different part of the transmission network. It can also happen the other way

around: we might need to produce more energy in some areas, which means we need to reduce production elsewhere. ~~Where appropriate, changes to loss of mains protection may be procured to reduce or prevent a constraint.~~ We break down constraints into three groups:

  - Thermal Constraints
  - Voltage Constraints
  - Stability Constraints

- **Stability:** is the inherent ability of the system to quickly return to acceptable operation following a disturbance. The term is used to describe a broad range of topics, including inertia, short circuit level and dynamic voltage. If the system becomes unstable it could lead to ~~–~~partial or total system shut down leading to the disconnection of consumers.
- ~~**Balancing Reserve:** will fulfil the Control Room requirements for synchronised reserve, which is used to manage imbalance between generation and demand in real-time. The reserve should be held on units able to start delivering a contracted volume in form of an increase or decrease in generation or demand starting within 2 minutes of an instruction. Balancing Reserve will be procured from BM providers at Day Ahead for next day delivery. The providers will be paid an Availability Payment when awarded the contract at Day Ahead and a Utilisation Payment (in the form of their Bid or Offer payment) when dispatched through the BM during contracted Service Windows. The product will be~~

~~procured in both directions, Negative Reserve and Positive Reserve, which will be procured independently.~~

## 2. Description of Commercial Ancillary Services

In line with the Monthly Balancing Service Statement (MBSS), the descriptions of Ancillary Services below divide the services into "mandatory", "commercial", and "tendered" service types. Tendered services are attributed to our tendered services frameworks, for example Firm Frequency Response, ~~-~~and STOR. Mandatory services are Part 1 System Ancillary Services required under the Grid Code for Ancillary Services or as part of their connection agreement, for example reactive power, and some types of generator intertrip. ~~—~~Commercial services cover Ancillary Service contracts that are not part of our tendered services frameworks, for example Maximum Generation or BM Start-Up.

### 2.1 Commercial Ancillary Services we expect to procure

**Reserve**

STOR – daily auction

Short-term Operating Reserve (STOR) allows us to have extra power in reserve for when we need it through an increased output from generation or a reduction in consumption from

demand sources. It helps us meet extra demand at certain times of the day or if there's an unexpected drop in generation. The requirement for STOR is dependent upon the demand profile at any time. The STOR service is split into six seasons, which specify the Availability Windows where STOR is required each day. STOR is procured on a daily basis via a daily auction for delivery on the next operational day. You can find more detail about STOR on our website at National Energy System Operator (NESO) | National Energy System Operator. Look under Balancing services, and then Reserve services.

Optional Fast Reserve

Optional Fast Reserve provides the rapid and reliable delivery of active power through an increased output from generation or a reduction in consumption from demand sources, following receipt of an electronic dispatch instruction from NESO. The Optional Fast Reserve service can be procured from BM and NBM providers and is contracted on the day. Delivery must commence within two minutes following instruction, at rates of 25MW or greater per minute and providing a minimum of 25MW. You can find more detail about Fast Reserve on our website at National Energy System Operator (NESO) | National Energy System Operator. Look under Balancing services, and then Reserve services.

Balancing Reserve

Balancing Reserve, was launched, in early 2024, alongside the current live Reserve services. Balancing Reserve aims to ensure that the risk of a loss of load event is minimised and equal across all settlement periods. The introduction of Balancing Reserve will allow ~~the~~ NESO to procure Regulating Reserve, on a firm basis, at Day-Ahead, rather than in real time through BM bids and offers. This will allow capacity to be secured ahead of time, and ensure sufficient Reserve volume.

Balancing Reserve will be instructed in line with the current method for Regulating Reserve, with the capacity secured at Day-Ahead being instructed through the BM.

~~NESO have proposed to co-optimise the auction timing of BR to align with all other balancing services of 14:00 daily. Subject to OFGEM's approval in October 2025.~~In October 2025, Ofgem approved co-optimising the auction timing of BR to align with all other balancing services at 14:00 daily.

Balancing Reserve will fulfil the Control Room requirements for ~~synchronised~~regulating reserve, which is used to manage imbalance between generation and demand in real-time. The reserve should be held on units able to start delivering a contracted volume in form of an increase or decrease in generation or demand starting within 2 minutes of an

instruction. Balancing Reserve will be procured from BM providers at Day Ahead for next day delivery. The providers will be paid an Availability Payment when awarded the contract at Day Ahead and a Utilisation Payment (in the form of their Bid or Offer payment) when dispatched through the BM during contracted Service Windows. The product will be procured in both directions, Negative Reserve and Positive Reserve, which will be procured independently.

You can find more detail about Balancing and Regulating Reserve on our website at https://www.neso.energy/. Look under Balancing services, and then https://www.neso.energy/industry-information/balancing-services/reserve-services

Quick Reserve

Reserve is needed for frequency management when there is an imbalance between supply of energy and demand for energy. We are developing a suite of new positive and negative reserve services to replace the existing suite of reserve services. System conditions are changing, and faster-acting reserve is required to support the new frequency response services, Dynamic Containment, Dynamic Regulation, and Dynamic Moderation.

We have successfully implemented Positive and Negative Quick Reserve from December 2024, initially to Balancing Mechanism units only, based on the capabilities of our new and legacy IT systems.

Positive and Negative Quick Reserve is a Firm service (contracting firm capacity at 'day-ahead' via a daily auction) with Utilisation in line with normal Balancing Mechanism operation by way of a Bid-Offer Acceptances (BOAs) via Electronic Dispatch Logging (EDL)/Electronic Data Transfer (EDT).

We ~~sucessfully~~successfully~~plan to~~ introduced Quick Reserve for Non BM participants ~~summer~~from September 2025 utilising the new Open Balancing Platform (OBP) for dispatch and control.

Slow Reserve

Slow Reserve (SR) is primarily aimed at reacting to post-fault disturbances to restore energy imbalances to +/- 0.2Hz of the nominal 50Hz within 15 minutes of a loss event (generation or demand). SR will allows NESO to better meet its system and statutory requirements following updates to the System Operator Guidelines (SOGL) standard.

For Negative Slow Reserve (NSR) units are instructed to increase demand or decrease generation in full within 15 minutes. The inverse is true for Positive Slow Reserve (PSR). Slow Reserve is open to any technology with the ability to provide a net change in demand/generation of at least 1MW. The development of the service is currently underway, NESO announced a delay to the initial launch of Summer 2025 pushing back to April 2026 to allow more time for OBP integration. .

Please visit the following pages on the NESO website to track progress and timelines as these services are implemented:

- Quick Reserve
- Slow Reserve

SuperSEL

Super SEL is utilised to directly decrease the sum of the minimum MW level (SEL) of generators synchronised to the system. Super

SEL service does not require a change in energy output of the generation, it is to give access to a reduced minimum active power level. Super SEL contract enactment will be a through a trading instruction. A separate instruction will be issued via the Balancing Mechanism to reduce output to the new lower SEL if required.

Other Reserves – commercial moving to tendered

We currently have several other reserve services (see section 2.2) that we are not actively procuring and are under review. The aim is to move away from services procured outside of competitive mechanisms, so we do not intend to procure additional volume under the current frameworks. However, the full suite of reserve services will be reviewed as per our recent Road Map publication.

**Response**

Firm Frequency Response – tendered

We procure Firm Frequency Response services -DC, DM, DR and Static FFR (SFFR-) as and when required through daily auctions. Additional response is also procured through the Mandatory Frequency Response Market in the Balancing Mechanism. More information about frequency response and the services we procure can be found on our website. Look under Balancing Services, then Frequency Response Services.

Dynamic Containment (DC)

Dynamic Containment DC is designed to rapidly deliver between +/-0.2 and +/-0.5 frequency deviation, provides fast acting POST-fault delivery -i.e. for deployment after a significant frequency deviation in order to meet our most immediate need for faster-acting frequency response. Dynamic Containment is procured at day-ahead on a pay as clear auction platform.

Dynamic Moderation (DM)

DM, designed to rapidly deliver between +/-0.1 and +/-0.2 frequency deviation, provides fast acting pre-fault delivery for particularly volatile periods. Dynamic Moderation is procured at day-ahead on a pay as clear auction platform.

Dynamic Regulation (DR)

DR is our staple slower pre-fault service which is designed to slowly correct and deliver between +/- 0.015 and +/-0.2 frequency deviation. Dynamic Regulation is procured at day-ahead on a pay as clear auction platform.-

Static FFR

SFFR is designed to deliver a slow low frequency post fault service which is triggered once frequency goes below 49.7. The service is then delivered for 30mins after triggering. SFFR Regulation is procured at day-ahead on a pay as clear auction

platform. Reform of the Static service will take place in 2026 which will include the following proposed changes[1]:

1. Changing the trigger level at which units respond to 49.65Hz or to a level required by NESO
2. Lowering the Auction minimum bid size to 0.1MW
3. Lowering the minimum Unit size to 0.1MW

For further information please refer to the SFFR website.

Response Avoidance

These are Forward Trades made to reduce the volume of Response required by the system and enable the Response costs which would be incurred via MFR to be avoided. NESO utilise Response Avoidance during exceptional events e.g King's Coronation.

For further information on how to get involved please visit:

**https://www.neso.energy/industry-information/balancing-services/frequency-response-services**

Reactive Power

[1] Please note changes proposed to the SFFR service are still subject to an Authority decision as part of the SFFR Electricity Balancing Regulation (EBR) Article 18 Consultation.

~~Obligatory Reactive Power Service – mandatory~~

~~The vast majority of reactive power is procured through the Obligatory Reactive Power Service, a Part 1 System Ancillary Service, or through localised constraint management actions and tenders.~~ We are developing and ~~pursuing other options for~~implementing reactive power procurement ~~for routes~~ outside of the Obligatory Reactive Power Service (ORPS). ~~s which are implementing~~ These markets implement learnings from Network Services Procurement (previously Pathfinders)~~, Power Potential, Voltage industry RFI~~ and the Future Reactive Power Market ~~Reform~~innovation project.

- ~~W~~We ~~have started an~~ are carrying out an innovation project to review the ORPS payment methodology, which may result in different default payment rates for reactive power delivered.; ~~we are working with NGED to further test reactive power provision from DER~~ ; ~~In addition, we are~~ seeking to ~~accessing more reactive power capability through Commercial Service Agreements; and we are developing learnings from the pathfinder projects into~~ N~~n~~ew reactive power markets ~~in~~ across multiple procurement timescale~~'~~s and contract durations have been developed and are being implemented. You can find more detail about reactive power markets on our website at https://www.neso.energy/industry-information/balancing-services/reactive-power-

services/reactive-power-market . ~~https://www.neso.energy/~~.

~~Look under Balancing services, then~~ Reactive power services

~~Voltage Network Services Procurement - (formerly Voltage Pathfinder)~~Reactive Power Markets

~~Where longer term reactive power needs are identified, NESO may run tenders to procure capability to ensure compliant operation of the network and/or reduce costs to manage system voltage. The location of need and duration of contracts will be determined by technical studies carried out by the NESO~~

.

To ensure the electricity network is operated ~~to~~ within our operational standards and to avoid damage to transmission equipment, NESO may instruct units in the BM to deliver reactive power services. Voltage levels are controlled by reactive power, and we pay providers to help manage voltage levels on the system by controlling the volume of reactive power that they absorb or generate.

Some reactive power contracts have been procured through tenders offering longer term contracts, and we are introduc~~e~~ing new markets to procure this capability when requirements are identified, across~~with~~ varying lead times and contract lengths.

These new markets can be found on our website https://www.neso.energy/industry-information/balancing-services/reactive-power-services/reactive-power-market and are:

- Long-term (Y-4) – Four-year lead time with contract length dependant on system requirements. For more information see - https://www.neso.energy/industry-information/balancing-services/stability-market/long-term-2029-tender.
- Mid-term (Y-1) – One year lead time with contract length of up to one year.

- We are also considering the efficacy of a short-term (D-1) market.

**Constraint management services**

Constraint management can be categorised depending on the underlying operational challenge that needs to be resolved. Examples include:

- Import and export constraints – commercial
- Voltage constraints – commercial
- Thermal constraints – commercial
- Stability constraints - commercial
- System to generator intertrip – commercial

We expect that we will require constraint management services to manage voltage constraints and thermal or transient stability import and export constraints. We will also need to arm existing system to generator intertrips to manage power flows across the network. The requirement for constraint management services is driven by system conditions, the network outage plan, and system faults. These contracts are normally procured outside of market mechanisms because of insufficient market participants and locational nature of the requirement, though we will seek to procure competitively, where possible.

MW Dispatch

Is a transmission constraint management service and the first service to be developed through our joint Regional Development Programmes with DNOs. This service is initially only open to Distributed Energy Resource (DER) connected to specific Grid Supply Points in National Grid Electricity Distribution (Southwest) and UK Power Networks (South East Coast region) DNO areas. This enables those DER with specific connection terms and conditions to fulfil these obligations. We are currently assessing the future use cases for further expansion of MWD type of solutions in other areas to create commercial propositions or resolve impending upcoming technical system challenges. ~~**and the NESO expects to open this service up to more parties and geographies in the coming months.**~~

The service, regardless of technology, requires providers to reduce real power output to zero ('turn to zero') when instructed by NESO under certain network conditions and when it is economic to do so. If instructed, and providing they comply with the instruction, MW Dispatch Service Providers will be paid for the volume of energy they have curtailed.

Local Constraint Market (LCM)

LCM is a thermal constraint management service which will provide an interim solution over the next three to four years to help manage the high and rising costs at the England/Scotland

boundary. LCM will be instructed ahead of BM actions and will not replace BM action on constraints entirely.

Historically, we have only been able to use generation turn down from BM registered assets. The new service will engage new flex providers and will be an additional option where it is more cost-effective than the BM. It will be available to generation turn down and demand turn up Providers who are non-BM, including those registered in the Capacity Market (CM).

In collaboration with Piclo, we are pleased to announce the extension of their partnership to support the Local Constraint Market (LCM) in Scotland until January 2027.

Constraint Management Intertrip Service (CMIS) – formerly Constraint Management Pathfinders

The CMIS service connects contracted generators to intertripping schemes to allow for the automatic tripping (usually within 200 milliseconds) or de-loading (within 10 seconds) of a network fault. This service provides an economic alternative to curtailing generation in the BM pre-fault.

The location of the network where contracts are entered into are determined by network studies and bidders will be paid for the duration of time they are armed to the scheme as well as if they are tripped or de-loaded by the scheme.~~hh~~

Demand Flexibility Service (DFS)

The Demand Flexibility Service (DFS) was introduced during the winter of 22/23 as part of our winter contingency toolkit. Its purpose was to act as an enhanced action, in addition to the normal electricity market, to be used to access additional megawatts (MW) during times of high national demand, particularly at peak periods on winter days when the system could have been placed under stress.

In September 2024, our winter outlook indicated system margins were adequate and within the Reliability Standard. This meant there was not the same operational need for DFS as in previous years. We saw a case to continue to harness the value of demand flexibility. We transitioned DFS from an enhanced action to an in-merit margin tool in November 2024.~~.~~

Subject to EBR Article 18 and updated derogation approval, the service will be procured at any time in a day, up to a maximum of twelve hours ahead of the start of any Service Requirement window ~~This is to ensure that a route to market exists for the volume participating in DFS.It is a transitional product for manual flexibility until Market-wide Half-Hourly Settlement. Procurement is now within-day only~~ and DFS volume is compared alongside BM actions and Interconnector flow trades to meet the demand margin requirement issued by ENCC. We are looking to procure the service both upwards and

downwards as part of the November 2025 EBR Article 18 consultation process.

NESO also secured regulatory approval for a multi-year service which will enable DFS to continue until March 2027. NESO will be updating this derogation request to align with Clean Power 30 and bi-directional capability. For more information, please refer to the DFS webpage.

**Constraints Collaboration Project (CCP)**

Since January 2024, NESO has been working with industry to review and assess possible solutions to reducing constraints costs in the short term through the Constraints Collaboration Project (CCP). Since launching the project, we received 30 responses with proposals and ideas from 13 organisations. Those proposed market-based solutions were categorised into two main themes: constraints management markets and using flexible assets to reduce the flow over boundaries. Following the collaborative review and assessment with the industry, we concluded to:

- continue developing the **Demand for Constraint (DfC)** service, which is to incentivise new flexible demand in areas with network constraints, and introduce a contract for delivery in 2028. On that basis, the tender is targeted in 2026,
- lead an innovation project to explore the feasibility of a **Boundary Flow Smoothing** service, and

- review current constraint management intertrip service **(CMIS)** in Scotland networks.

Further information on CCP, project developments and upcoming engagements can be found on the CCP website.

**Stability**

Stability Markets

To ensure the electricity network is able to withstand a disturbance e.g. circuit fault, NESO may instruct units in the BM or enter into contracts for the provision of stability services. Previously, stability contracts were procured through ad-hoc tenders offering longer term contracts.

The NESO has introduced new markets that will procure stability on a more regular basis, with varying lead times and across a range of contract lengths.

These new markets are:

- Y-4 – Four year lead time with contract length dependant on system requirements
- Y-1 – One year lead time with contract length of one year

- In addition, NESO are exploring whether to implement a day-ahead stability market with contract length of at least an EFA block.
- ~~D-1 – Day ahead contracts with delivery period for EFA blocks.~~

~~SuperSEL~~

~~Super SEL is utilised to directly decrease the sum of the minimum MW level (SEL) of generators synchronised to the system. Super SEL service does not require a change in energy output of the generation, it is to give access to a reduced minimum active power level. Super SEL contract enactment will be a through a trading instruction. A separate instruction will be issued via the Balancing Mechanism to reduce output to the new lower SEL if required.~~

## 2.2 Existing Commercial Ancillary Services we don't expect to procure this year

**Reserve**

Other Reserves - commercial

This includes the other contracted reserve services that help to offset the cost of managing reserve in the BM. Following our procurement principles, we do not plan to procure any additional volumes of the following services above what we already have contracted. We are reviewing our reserve service suite with a view to move to a market based approach. Details of the reserve types presented here can be found on our website. Look for Balancing services, list of all balancing services. Services classed as Other Reserves include:

- Hydro Optional Spin Pump
- Hydro Optional Spin Gen
- Hydro Optional Pump De-load
- Hydro Rapid Start
- GT Fast Start
- BM Start Up~~Warming~~
- Maximum Generation
- Non-tender Fast Reserve no low frequency trigger

**Response**

Other Response – commercial moving to tendered

We intend to remove the following frequency response services from active procurement and meet the requirement in a more transparent and competitive way. We are working with all affected parties to transition them to new routes to market.

- ~~**Dynamic Frequency response (DFFR) monthly tenders ceased 2nd half of 2023**~~

- Non-tendered Fast Reserve with low frequency trigger

For further information from NESO about our plans for future response services please see the **response section** of our website, and the Future of balancing services **product roadmaps**.

**Reactive Power**

Enhanced Reactive Power Service (ERPS)– removing

We have signalled our preference to remove the Enhanced Reactive Power Service (ERPS), which is run every six months in line with the CUSC~~, from our suite of services in lieu of locational tenders and other projects in the voltage space, i.e. Network Services Procurement, Voltage RFI and a Reactive Market . This matter is currently being considered within a modification working group, the outcome of the modification process will determine whether it should be removed or updated.~~The code modifications relating to ERPS are currently on hold pending the launch of the mid-term reactive power market**.** For the avoidance of doubt bi-annual (six months) tenders will run until any decision to remove the service is made.

**Maximum Generation**

We don't expect to procure additional Maximum Generation contracts this year, but we will maintain existing contracts for use in emergency. Information relating to the utilisation is published on the BMRS in line with the requirements defines in part B section (e) of the Balancing Principles statement. The fees, timeframe of instruction and volume of energy delivered is

published on the NESO website in accordance with section 4.2.12.3 of the CUSC. Costs and volumes associated with the use of Maximum Generation service are included in the calculation of BSAD in line with requirements defined in Part B section 1.2 of the BSAD methodology Statement. The volume of energy delivered as a result of the use of Maximum Generation will be included in the calculation of ABSVD and treated in accordance the procedure defined in the ABSVD methodology statement.

## ~~2.2~~ 2.3 Prohibited Activities

We have been given discretion with regard to the procurement of Balancing Services, subject to a licence obligation to operate the transmission system in an efficient, economic and co-ordinated manner and under the umbrella of an incentive scheme.

We should be able to make the best use of the range of tools available to us including (but not limited to) energy contracts and option contracts called both inside and outside of the BM.

In addition to the licence obligation to operate the transmission system in an efficient, economic and co-ordinated manner, we are also prohibited from purchasing or otherwise acquiring electricity except pursuant to the procurement or use of Balancing Services in connection with operating the transmission system and doing so economically and efficiently (or with the consent of the Authority) with the result that we are prohibited from speculative trading.

# 3. Demand Side Providers and Small Generators

We are interested in procuring Balancing Services from demand side providers subject to technical and dynamic considerations (where demand side providers, include demand reducers, demand increasers and small generators embedded on site). Demand side providers provide Commercial Ancillary Services as defined in section 1 above. -The types of Balancing Services that we are interested in procuring from demand side providers are the same as shown in the list of Commercial Ancillary Services provided 2.1. Demand side providers are encouraged to participate in the standard market tender process we use to procure the Commercial Ancillary Services. Non-BM providers already participate in Frequency Response, STOR, Fast Reserve and other reserve services and account for around 20% of our total Ancillary Services costs. ~~Our Power Potential innovation project aims to create new markets for distributed energy resources, more information can be found on our website.~~

# PART D: PROCUREMENT MECHANISMS

## 1. Procurement Process

System Ancillary Service

System Ancillary Services are mandatory for all licensed Generator or required by some licenced Generators in certain circumstances, these are agreed in bilateral contracts.

Commercial Ancillary Services

As indicated in Part B of these Guidelines, we will seek to contract for Balancing Services via some form of market mechanism. Where possible we will not enter into new contracts procured outside of market mechanisms for the provision of Commercial Ancillary Services. In some circumstances, such as constraint management services, we may need to enter into non-tendered contracts where the requirement is often location dependant and there are insufficient market participants. We will maintain existing non-tendered contracts only where it is economic to do so and while new ~~market based~~market-based frameworks are in development. Further information is available from the **future of balancing services** section of our website.

**Market mechanism**

This will normally be a tender based process for the selection and award of service contracts. In each case, the mechanism will include:

- a statement of our service requirements;
- the issuing of invitation to tender documentation, providing sufficient information to allow the provision of a service offer to be made, including standard contract terms and conditions;
- arrangements for governance of the process;
- a statement of principles and criteria that we will consider when evaluating the awarding of contracts; and
- a report providing information on previous tenders.

**Bilateral Contracts**

Wherever possible we will use a market approach to the procurement of Commercial Ancillary Services, but in some situations bilateral contracts may be required where limited competition exists in the supply of a service (taking into account locational factors where necessary). This may be due to special technical requirements of the desired service, where some form of monopoly exists or the unique characteristics of certain individual providers.

Where we consider there to be a limited degree of competition, we will:

- contact those service providers we believe to be capable of providing the required service or who have expressed an interest in providing the service in order to establish whether they wish to enter into a contract for the service in question; and
- offer non-discriminatory terms for the acquisition of the service.

However, if there is insufficient time to identify and contact other providers, we reserve the right to contract as appropriate to meet system security requirements.

## 2. Procurement Communication Media

We shall communicate service requirement through ~~market information reports~~ the NESO website or other relevant pages on our website and if necessary by contacting those parties that we believe may be interested in providing the service, including any existing or past service providers, and anyone that has expressed a prior interest in providing such services in the future.

## 3. Procurement Summary

Table 1 provides the Balancing Mechanism, Trading and System Ancillary Services we have available to us, how they are procured and the timescales for procurement. Table 2 sets out the Commercial Ancillary Services we intend to procure and the mechanisms by which we expect to procure them this year. It also sets out the timescales over which we intend to procure those Balancing Services set out in Part C, section 1 of these Guidelines. Table 3 provides a list of existing services that we do not intend to procure, but are working on moving into market based procurement frameworks.

**Table 1 BM, TRADING AND SYSTEM ANCILLARY SERVICES**

| ***ANCILLARY SERVICES*** | ***MEANS OF PROCUREMENT*** | ***TIMESCALES*** |
|---|---|---|
| **Balancing Mechanism bids and offers** | Bilateral contracts entered into pursuant under CUSC | As required |
| **Replacement Reserve** | Bilateral contracts entered into pursuant under CUSC | As required |
| **Forward Trading** | Bilateral contracts | As required |
| **Intraday Trading Limits/ Net Transfer Capacity** | Bilateral / trilateral contracts | As required |
| **System Ancillary Services**<br>**Part 1 Services**<br>• Reactive Power<br>• Frequency Response | • Mandatory Services Agreement pursuant to the CUSC<br>• Mandatory Services Agreement pursuant to the CUSC | • Evergreen<br>• Evergreen |

| | | |
|---|---|---|
| **Part 2 Services**<br>• Restoration Services<br>• Top up Capability<br>• Anchor Plant Capabilty<br>• Fast Start<br>•<br>• System to Generator Operational Intertripping<br>• ~~Operational Intertripping~~ | Derived from Market Tenders or Bilateral contracts.<br><br>Entered into pursuant to the CUSC | Up to life of asset<br><br>Up to life of asset |

**Table 2 ACTIVE COMMERCIAL ANCILLARY SERVICES**

Active commercial ancillary services will be procured on an as required basis, in line with the Clean Energy Package which requires all volumes of balancing capacity services be procured at day-ahead. However, there is currently one open derogation and the possibility of more in the future. Providers will be given adequate notice of any revisions to tendering frequency and rationale for changes.

| ***ANCILLARY SERVICES*** | ***MEANS OF PROCUREMENT*** |
|---|---|
| **Reserve**<br>• Fast Reserve (FR)<br><br>• STOR | • Contracted on the day via the Optional Service. |

| | |
|---|---|
| • Balancing Reserve (BR)<br>•<br>•<br>•<br>• Quick Reserve (QR)<br>•<br>•<br>• Slow Reserve (SR)<br>• | • Contracted via day-ahead market procurement and on the day via the Optional Service. (Non-BM only)<br>• Contracted via day-ahead market procurement<br>• Contracted via day-ahead market procurement<br>• Contracted via day-ahead market procurement |
| **Frequency Response**<br>• Static Firm Frequency Response (SFFR)<br>• Dynamic Containment (DC)<br>• Dynamic Moderation (DM) | • Contracts derived from day-ahead market tenders or auction<br>• Contracts derived from market tenders or auction<br>• Contracts derived from market tenders or auction |

| | |
|---|---|
| • Dynamic Regulation (DR) | • Contracts derived from market tenders or auction |

| | |
|---|---|
| **Reactive Power**<br>• ~~Voltage Network Services Procurement~~Reactive Power Markets | • Contracts derived from market tenders |
| **~~Commercial Ancillary Services~~**<br>**Constraint Management Services**<br>• MW Dispatch constraint management service<br>• Local Constraint Market (LCM)<br>• Constraint Management Intertrip Service (CMIS) | Bilateral Contracts or Contracts derived from market tenders<br>• Tri-party Contracts with NGED and UKPN<br>• For BM participants, via their connection agreement. For DERs Tri-Party contracts subject to agreement with DNO.<br>~~Contracts procured from tender platform~~<br>• Contracts derived from market tenders |
| • Demand Flexibility Service (DFS) | • Contracts derived from market tender process, required according to system conditions |
| **Stability Markets**<br>• ~~Y-4~~<br>• ~~Y-1~~<br>• ~~D-1~~Stability Markets | • Contracts derived from market tenders |

| | |
|---|---|
| | |

**Table 3 COMMERCIAL ANCILLARY SERVICES UNDER REVIEW**

We don't expect to procure any additional volumes of the following services.

| ***ANCILLARY SERVICES*** | ~~***MEANS OF PROCUREMENT***~~***RATIONALE*** | ***TIMESCALES*** |
|---|---|---|
| **Frequency Response**<br>• Enhanced Frequency Response<br>• Non-tendered Fast Reserve low frequency trigger | No requirement for these services. We plan to meet the requirement in a more transparent and competitive way. We are working with all affected parties to transition them to new routes to market.<br><br>EFR - we are not actively looking to procure any additional volume and any requirement will be met by existing agreements | Service review carried out as per our Response and Reserve Roadmap |
| **Reserve**<br>• BM Start Up<br>• Maximum Generation<br>• Hydro Optional Spin Pump<br>• Hydro Optional Spin Gen<br>• Hydro Optional Pump De-load<br>• Hydro Rapid Start<br>• BM Warming | We do not plan to procure any additional volumes of the following services above what we already have contracted. We are reviewing our procurement frameworks for reserve with a view to move to a market based approach. | Service review will be carried out as per our Response and Reserve Roadmap. |

| | | |
|---|---|---|
| • Non-tendered Fast Reserve no low frequency trigger | | |
| **Reactive**<br>• Enhanced Reactive Power Service~~s~~ | Service will be removed. | This ~~matter is currently being considered within a modification working group, the outcome of the modification process will determine whether it should be removed or updated~~is currently on hold pending the implementation of the mid-term reactive power market. |

# PART E: INFORMATION PROVISION

## 1. General Provisions

Under the NESO Business Plan for 2026-2028~~2021-2026 regulatory framework~~ we are incentivised to support market participants to make informed decisions by providing user-friendly, comprehensive, and accurate information. More information about our incentives can be found on our website.

We shall publish information on the Balancing Services that we intend to procure, the outcomes of tender rounds for each service, and the costs and volumes of the services that are procured. In doing so we will seek to provide market participants and other interested parties with sufficient information without compromising the commercial position of any contracting party.

As part of the provision of information we will provide BSAD. The calculation methodology used is set out in a separate document entitled "BSAD Methodology Statement" established by National Energy System Operator under the NESO Licence.

## 2. Information Provision Contacts

All queries regarding the provision of Balancing Services we intend to procure should be made, in the first instance, to:

Director of Market Services

National Energy System Operator

Faraday House

Warwick Technology Park

Gallows Hill

Warwick CV34 6DA

Email: ~~BalancingServices@neso.energy~~ commercial.operation@neso.energy

## 2. Information Provision Detail

In the circumstances where tenders are held we publish information on the outcome of these processes via market reports, which are available on our web-site. This is currently the case for Reactive Power (every six months), STOR (as required), Fast Reserve (monthly), and Firm Frequency Response (monthly SFFR, DC, DM and DR daily. In addition, information will also be published for Maximum Generation Service on a disaggregated basis.

## 3. Volumes of Balancing Services

Cost and Volumes of Balancing Services procured can be found in the Monthly Balancing Services Statement section on our website.

## 4. Information Provision Summary

Table 2 sets out the information on Balancing Services that we will make available to market participants and other interested parties. A number of services set out in Table 1 have been aggregated in Table 2 to ensure that we provide market participants and other interested parties with sufficient information without compromising the commercial position of any contracting party.

Table 2 sets out the volume and price information we are able to make available and the timescales over which the information will be updated. In many cases the information will be provided pursuant to the BSAD Methodology Statement. In addition, Table 42 sets out the source of the information, Hard copies of this information may be requested from the Head of Market Services. Full contact details are set out in Section 2 above.

## 5. Future Developments

Information provision in the future will be integral to the development of new services and will follow the following principles:

- Information in relation to balancing activities undertaken by National -Energy System Operator will be made available if it helps the efficient operation of the wider market;
- Ex-ante information will be made available if it helps the market to be in a position to balance without SO intervention; and
- Information will be made available to all parties at the same time, on an equal basis without discrimination or favour.

In conjunction, National Energy System Operator will aim to ensure that:

- Information transparency does not undermine an individual party's commercial confidentiality;
- Provision of information does not result in the SO becoming a 'distressed buyer;
- Information will not highlight where the SO has a locational specific constraint; and

- any benefit to the wider industry from the provision of increased information should justify the costs of its provision.

## 6. Disclaimer

All information published or otherwise made available to market participants and other interested parties pursuant to these Procurement Guidelines is done so in good faith. However, no warranty or representation is given by National -Energy System Operator, its officers, employees or agents as to the accuracy or completeness of any such information, nor is any warranty or representation given that there are no matters material to any such information not contained or referred to therein. Accordingly, no liability can be accepted for any error, misstatement or omission in respect thereof, save in respect of a misrepresentation made fraudulently.

## TABLE 42: Balancing Services Information Provision Summary

| Balancing Services | Requirement and tender outcome | Price and volume information | Timescale | Link to service information |
|---|---|---|---|---|
| - | - | - | - | - |
| Balancing Mechanism bids and offers | N/A | BM Reports | Ddaily | https://www.bmreports.com/bmrs/?q=balancing/ |
| - | - | - | - | - |
| Forward Trading | N/A | Trading reporting site, BSAD, MBSS | Ddaily, monthly | Upcoming Trades \| National Energy System Operator<br><br>https://extranet.nationalgrid.com/BSAD/ |
| -Intraday Trading Limits/ Net Transfer Capacity | N/A | MBSS | Aas required | https://www.neso.energy/what-we-do/energy-markets/interconnectors/what-ntc |
| | | | | |
| **System Ancillary Services**<br>-<br>-<br>- | | | | |

| | | | | |
|---|---|---|---|---|
| - | | | | |
| **Part 1 Services**<br>-<br>-<br>-<br>- | | | | |
| Reactive Power | Wwebsite | MBSS | Mmonthly | Reactive power services \| National Energy System Operator |
| Frequency Response | Wwebsite | MBSS | Mmonthly | Frequency response services \| National Energy System Operator |
| - | - | - | - | - |
| **Part 2 Services**<br>-<br>-<br>-<br>- | | | | |
| Restoration Services | Wwebsite | MBSS | As required | Restoration Services \| National Energy System Operator |
| Fast Start | No additional requirement | MBSS | mMonthly | |

| | | | | |
|---|---|---|---|---|
| System to Generator Operational Intertripping | Wwebsite | MBSS | As required | Intertrips \| National Energy System Operator |
| - | - | - | - | - |
| **Active Commercial Ancillary Services**<br>-<br>-<br>-<br>- | | | | |
| Constraint Management Services | Wwebsite | MBSS | As required | Intertrips \| National Energy System Operator<br><br>Transmission constraint management \| National Energy System Operator |
| Constraint Management Intertrip Service | Website | Website, NESO data portal | As required | Constraint Management Intertrip Service |
| Static Firm Frequency Response | Wwebsite | NESO data portal | Daily | Welcome to the NESO Data Portal \| National Energy System Operator |
| Dynamic Firm Frequency Response | Wwebsite | NESO data portal | Monthly | https://www.neso.energy/industry-information/balancing- |

| | | | | |
|---|---|---|---|---|
| | | | | services/frequency-response-services<br>Welcome to the NESO Data Portal \| National Energy System Operator |
| Fast Reserve | ~~w~~Website | MBSS | As required | Fast reserve \| National Energy System Operator |
| STOR | W~~w~~ebsite | MBSS | As required | Short term operating reserve (STOR) \| National Energy System Operator |
| Maximum Generation | N~~n~~o additional requirement | website | A~~a~~d hoc | Maximum Generation \| National Energy System Operator |
| Demand Flexibility Service (DFS) | ~~ESO data portal~~website | ~~NESO data portal~~websit e | DFS ~~-~~events Ad hoc | Welcome to the NESO Data Portal \| National Energy System Operator |
| Reactive Power | Website | Website | As required | Voltage Network Services |
| Stability | Website | Website | As required | Stability Network Services |
| **Commercial Ancillary Services under review**<br>-<br>-<br>-<br>- | | | | |

| | | | | |
|---|---|---|---|---|
| **Response**<br>-<br>-<br>-<br>- | | | | |
| Enhanced Frequency Response | Wwebsite | MBSS | Mmonthly | Frequency response services \| National Energy System Operator |
| Non-tendered Fast Reserve with low frequency trigger | N/A | MBSS | Mmonthly | |
| - | - | - | - | - |
| **Reserve**<br>-<br>-<br>- | | | | |
| BM Start Up | Wwebsite | MBSS | Mmonthly | BM start up \| National Energy System Operator |
| Hydro Optional Spin Pump | N/A | MBSS | Mmonthly | |
| Hydro Rapid Start | N/A | MBSS | Mmonthly | |
| Hydro Optional Spin Gen | N/A | MBSS | Monthly | |
| Hydro Optional Pump De-load | N/A | MBSS | Monthly | |

| | | | | |
|---|---|---|---|---|
| Non-tendered Fast Reserve without low frequency trigger | N/A | MBSS | Mmonthly | |
| - | - | - | - | - |
| **Reactive**<br>-<br>-<br>-<br>- | | | | |
| Enhanced Reactive Power | Wwebsite | MBSS | Mmonthly | Reactive power services \| National Energy System Operator |
| - | - | - | - | - |