Public

Dispatch Transparency Forum 28 January 2026

Summary and Next Steps

Below is a summary of the key topics and discussions held during the forum Breakout Sessions, along with the next steps we plan to take to address your feedback.

- **Materiality – the cost of skips**
  - **Summary**

    The materiality methodology was presented, alongside elements considered but not incorporated (e.g. interdependency of time periods, limited duration assets, impact of other markets). We discussed the limitations of this simplified methodology, highlighting that this means the quoted cost of skips is likely an overestimate. We presented a comparison of skipped volume and volume that was accepted out of merit, in terms of both cost and volume. This analysis shows that all technology types are skipped and all technology types are accepted out of merit. There were questions and discussion around:

    - Clarifying the energy skip rate methodology and materiality methodology
    - How this cost relates to skips behind constraints
    - Carbon vs non carbon skips
    - How this analysis looks for individual assets within a technology type
  - **Next Steps**

    The LCP Delta assurance report has been published on our website here and the acceptance dataset was published on the data portal on 4th February. This dataset allows the cost analysis to be replicated and asset owners to see the impact on their specific assets. NESO will continue to use this analysis to understand why units have been accepted out of merit, focussing on the actions that have a disproportionate impact on the cost (e.g. Pumped Storage), with a goal to reduce these expensive actions.

- **Skip Rate Reduction Targets**
  - **Summary**

    The purpose of this session was to share a proposal for a skip rate target for June 2026. This was proposed at 30%, with some additional detail provided to explain why there can never be a 0% skip rate (with current understanding suggesting 21% is the minimum based on the stage 5 Post System Action rate). There was discussion around:

    - Should the target be an average between Jan – June?
    - Should the target include technology parity?
    - Should the target include a carbon measure?

- Is the target ambitious enough?

- **Next Steps**

  We have reviewed the feedback and have amended our initial proposals to be more ambitious with a target of an average of 30% skip rate from January to June inclusive (Stage 5 PSA). With regard to technology parity whilst we are not setting a target on this, we recognise the importance of addressing skips for all technology types and remain committed to continuing to publish technology specific skip rates and investigating outliers. We are also not including a carbon target. We dispatch units on the basis of capability and economics aligned with our licence obligation to operate economically and efficiently, where carbon should be factored into these prices. In addition, we have separate measures with respect to operating the electricity system carbon free which cover this aspect.

- **Skips Behind Constraints**
- **Summary**

  The proposed draft methodology was presented to attendees, outlining the logic used to determine an optimal price-merit dispatch across nested constraints, as well as the criteria and justification for unit exclusion. Potential limitations of the method were also discussed, and details can be found within the slides.

  The main points of feedback from attendees were as follows:

  - **Constraint types:** The methodology currently focuses on units operating behind active thermal constraints, as these account for the majority of constraint costs. Stakeholders expressed interest in extending the analysis to include units behind stability and voltage constraints as well.
  - **Implementation timelines and data publication:** Attendees raised questions regarding the expected speed of implementation and the timing of data publication. It was explained that this will be dependent on the complexity of the final method.
  - **Data granularity:** Queries were raised regarding the granularity of published data, specifically whether they could be published by unit, GSP zone, or country. It was noted that this would be highly dependent on the assessed impact on security, however, we acknowledged that transparency remains a priority and will be pursued wherever feasible.

- **Next Steps**

  We will assess the feasibility of extending the analysis to include skip rates associated with stability (inertia) and voltage constraints. Following this, we will confirm the final methodology with industry stakeholders and develop a detailed implementation plan. At that point, we expect to have greater clarity regarding what data we are able to publish and its format and the timeline for data publication.

- **GC0166**
  - **Summary**

    This session began with a reminder of the new parameters being introduced under Grid Code modification GC0166, namely Maximum Delivery Offer (MDO), Maximum Delivery Bid (MDB) and Future State of Energy (FSoE); and how NESO intended to use them across the full scheduling & dispatch timescales to optimise limited duration assets.

    Several different scenarios were then presented to the audience, explaining how MDO/MDB values would change under each, across the entire data submission window. The scenarios started with the simplest case where an asset had no ancillary service contracts, no Physical Notification (PN) and had not been issued with any Bid-Offer Acceptances (BOAs). The scenarios then gradually built up to become more complex, with multiple periods where volumes needed to be protected. The final case covered an asset with multiple ancillary service contracts, a PN and BOA(s). Both 30-minute and 1-minute granularity scenarios were presented to the audience.
  - **Next Steps**

    Further, more complex scenarios will be required, with supporting spreadsheets to allow the audience to review in their own time. When we have more detail on our full scheduling solution, this will be shared.