Public

NESO Operational Transparency Forum

25 March 2026

Welcome to the Operational Transparency Forum!

You are in listen-only mode with your camera turned off.

Live Captioning Available. To enable live captions in Microsoft Teams:

- Click on the 3 dots icon / 'More'
- Click 'Turn on live captions'

Key Points

Slido code #OTF

- **Ask Questions and give feedback:** Use **Sli.do event code #OTF.**
- **Submit early:** Ask questions early to give our experts time to answer.
- **No Edits:** Don't edit questions after submission; submit a new question, if needed.
- **Identify Yourself:** Provide your name or organization. Anonymous questions won't be answered live**.** If you have reasons to remain anonymous to the wider forum, please use the advance question or email options below.
- **Report Concerns:** Report concerns to the Market Monitoring team at **marketreporting@neso.energy.**
- **Question Order:** Questions are answered in upvoted order. Some may be taken away or answered later.
- **Sli.do Open:** Sli.do remains open **until 12:00** for maximum question opportunities. After that please use the advance questions or email options below.
- **Q&A:** All questions are recorded & published. Unanswered questions will be included in the next slide pack.
- **Ask questions anytime** whether for inclusion in the forum or individual response through our Advance Questions form or at: box.nc.customer@neso.energy.
- **Stay Updated:** Visit our webpage at: https://www.neso.energy/what-we-do/systems-operations/operational-transparency-forum for updates and previous OTF material.

Note: To access previous OTF webinars from Slido, click on the three lines to the left of forum title.

Deep dive sessions

Slido code #OTF

Today

February Balancing Costs

Future

15th April- Summer Outlook

22nd April – March Balancing Costs

If you have questions/suggestions of areas to cover during above presentations or ideas for deep dives or focus topics you would like us to consider, please send them to us at: box.nc.customer@neso.energy

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Slow Reserve update

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- We have published the formal Go-Live Notice for the Slow Reserve (SR) service. As a result, the EAC auction opened on Tuesday 17th March at 08:00, with the first auction set to run at **14:00 on 31st March**, as previously communicated.

- The SR auction will be co-optimised with Balancing Reserve, Quick Reserve, and the Dynamic Response services. As a result, the Procurement Rules for these services have also been updated with an effective date of 31st March to allow for co-optimisation with SR.

- Please note, the go-live of Slow Reserve will also trigger the end of the STOR service at 05:00 1st April 2026, as set out in the Slow Reserve Transition Plan.

Online Markets Forum

Slido code #OTF

- **28th April 3pm-5pm. Register here.**

- This session will provide updates from across the NESO Markets activities and will provide an opportunity for attendees to hear more about upcoming opportunities for involvement.
- There will be a dedicated presentation on the Markets Roadmap and a chance to ask questions. There will also be a presentation on the latest Operability Strategy Report.

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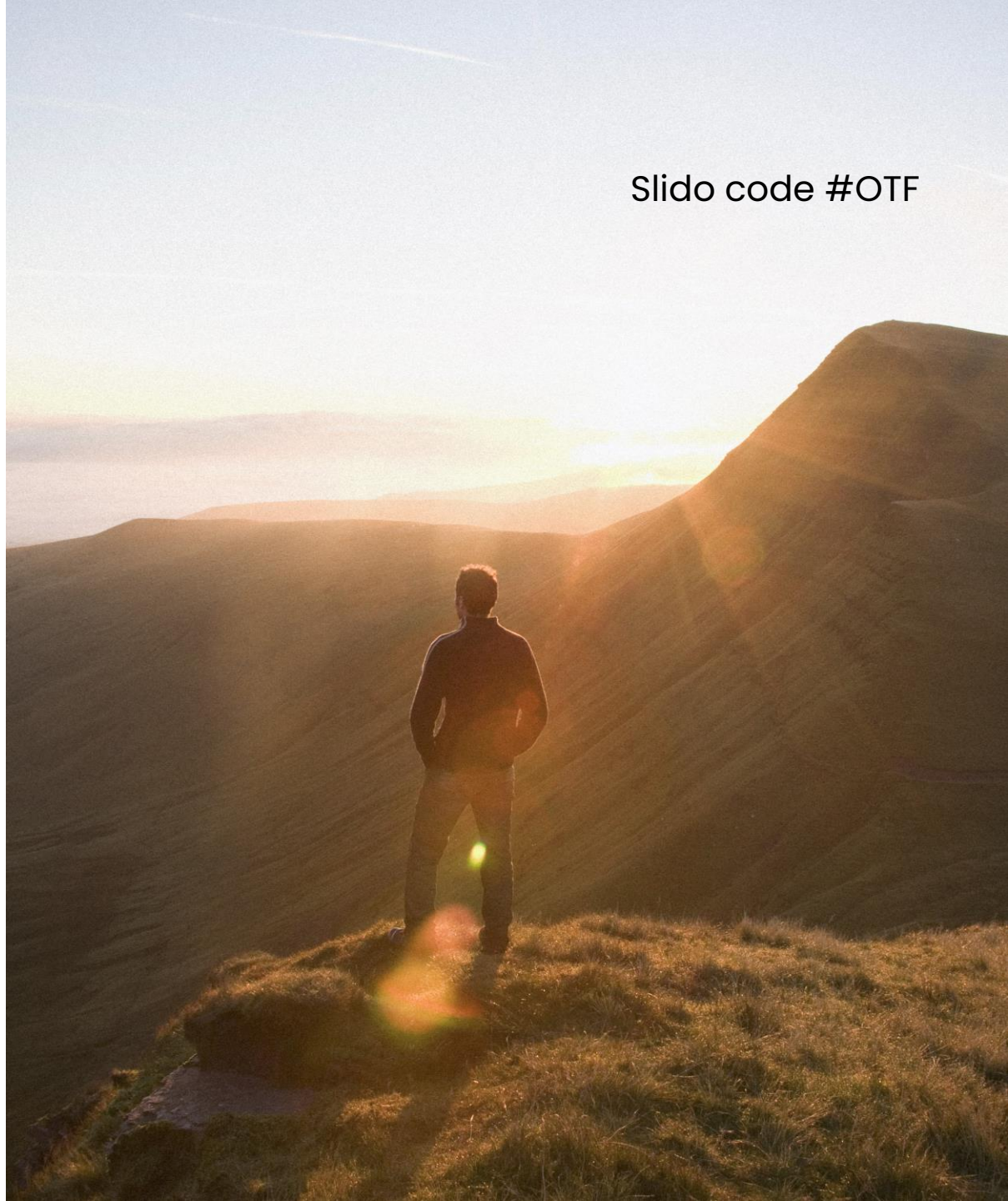
Short-term reactive power market

Webinar material

- Thank you for attending our industry webinar update on Tuesday 10 March.
- Within this, we communicated that we will not be implementing a short-term reactive power market under present market conditions.
- We will review our decision in 2027 at the earliest.
- You can find our slides, recording and Q&A document on the short-term reactive power website, or scan the QR code below.



Operability Strategy Report and Electricity Market Roadmap

Slido code #OTF

Publication – 30th March

- NESO are pleased to announce that we are publishing our 2026 Operability Strategy Report (OSR) and Electricity Markets Roadmap on March 30th.
- The Operability Strategy Report sets out the operational requirements that NESO will address to support the delivery of Clean Power by 2030 and beyond.
- The Electricity Markets Roadmap similarly sets out how NESO will design its electricity markets to support the delivery of services to meet operational requirements.

Response Reform April Webinar: Dynamic Response

Slido code #OTF

Join us for the Response Reform webinar on **22 April 3pm – 4pm**.

This webinar will focus on providing an update on NESO's current thinking of moving towards 30-minute service windows rather than EFA blocks for Dynamic Response.

We will also share some other Dynamic Response updates including the status of the current and future consultations

Sign up here.

If you have any questions contact: box.futureofbalancingservices@neso.energy

Final call for GC0166 Update – In-person event

Slido code #OTF

GC0166 introduces new Balancing Mechanism parameters for Limited Duration Assets to improve the use of Electricity Storage Modules, with all BMUs required to submit them. This event will provide market participants with the opportunity to learn about the GC0166 changes, with NESO experts on hand to answer questions and offer practical examples.

Date: 27 March 2026

Time: 10:00 – 13:00

Location: Hilton London Paddington, W2 1EE

Who should attend?
This event is ideal for anyone involved in or impacted by battery operations. To maximise your experience at the event, we encourage you to review the previously shared information on our NESO website relating to GC0166 and MDO_MDB_calculation_worked_examples_Final.xlsx before attending. We plan to focus on the examples published online during the event to ensure everyone gets the most relevant insights.

Where can I sign up? Please email box.skiprates@neso.energy or Caroline.Massey@neso.energy.

Event Capacity: Only 7 spots left.

Future Event Summary

Slido code #OTF

Event	Date & Time	Link
Balancing Programme March 2026 Webinar	26 Mar (11:00-12:30)	Register here
GC0166 Update – In-person event	27 Mar (10:00- 13:00)	
Slow Reserve service go-live and end of the STOR service	31 Mar	
Demand for Constraints (DfC) Market Request for Information (RFI) response deadline	1 Apr (17:00)	Response Form
RNP - Call for Input on Balancing, Settlement and Dispatch closes	14 Apr (17:00)	Response Form
Operational Fast Reserve service ceases operation	17 Apr (23:00)	
NTC Commercial Compensation Methodology consultation closes	17 Apr (17:00)	Response Form
Response Reform webinar	22 Apr (15:00-16:00)	Register here
Online Markets Forum	28 Apr (15:00-17:00)	Register here
NESO Event – Share your Views on Topics	22 Jun (09:30-17:30)	

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Check out the NESO Events Calendar for more...

Public

Monthly Balancing Cost Update

February 2026

Cost and Operational Insights Team

Frances Warren

NESO
National Energy System Operator

Monthly Cost Summary

Slido code #OTF

Balancing costs in February 2026 were £203m.

This was a decrease of £90m on last month and a decrease of £77m from February last year.

Reduced wind outturn and an increase in temperatures, alongside lower power prices has led to a drop in balancing costs from last month.

With lower demand levels and therefore less self-dispatch in the wholesale market, voltage costs have increased from January. There was a slight decrease in inertia costs with voltage actions fulfilling some of the requirement for synchronous generation.

Non-constraint costs have decreased by £26m with a drop in clearing prices for all frequency response services and a lower wholesale price in February.

Voltage: £11.7m ↑ **Thermal: £136.7m ↓** **Inertia: £0.4m ↓**

The figures represent the monthly costs; the arrows indicate the change compared to the previous month.

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System Conditions

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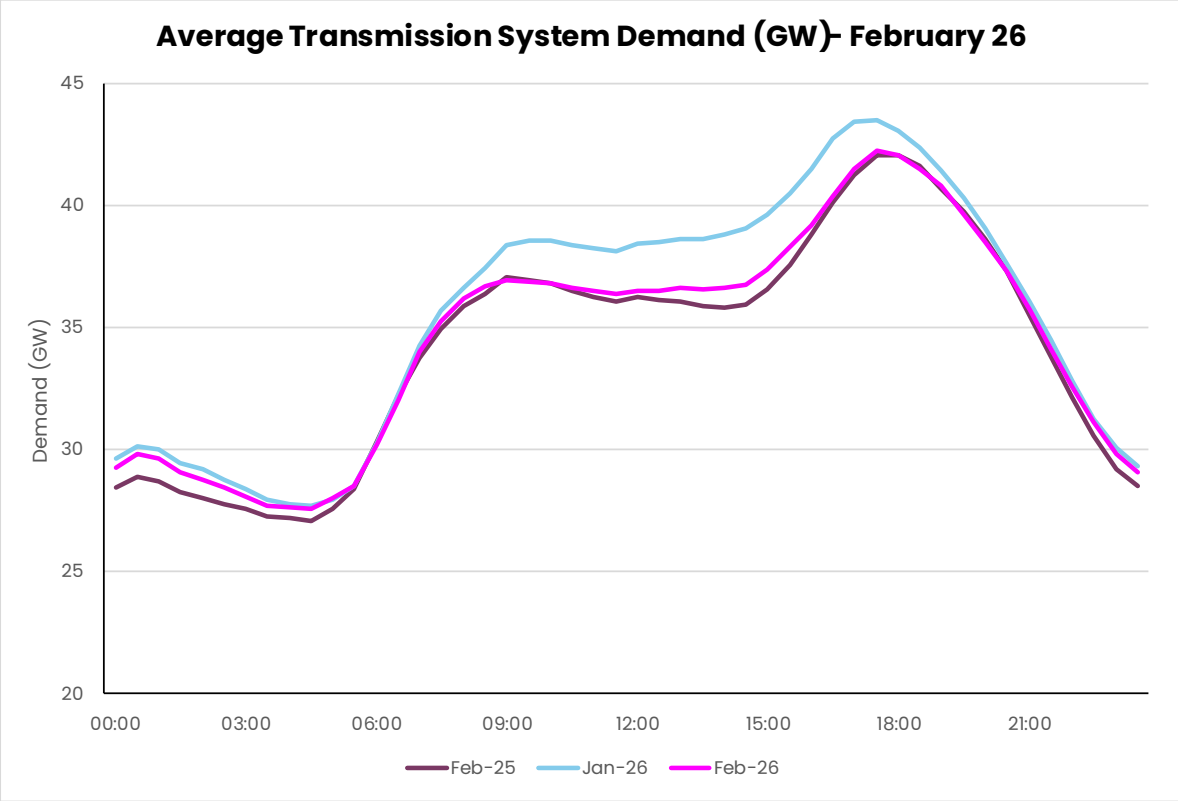

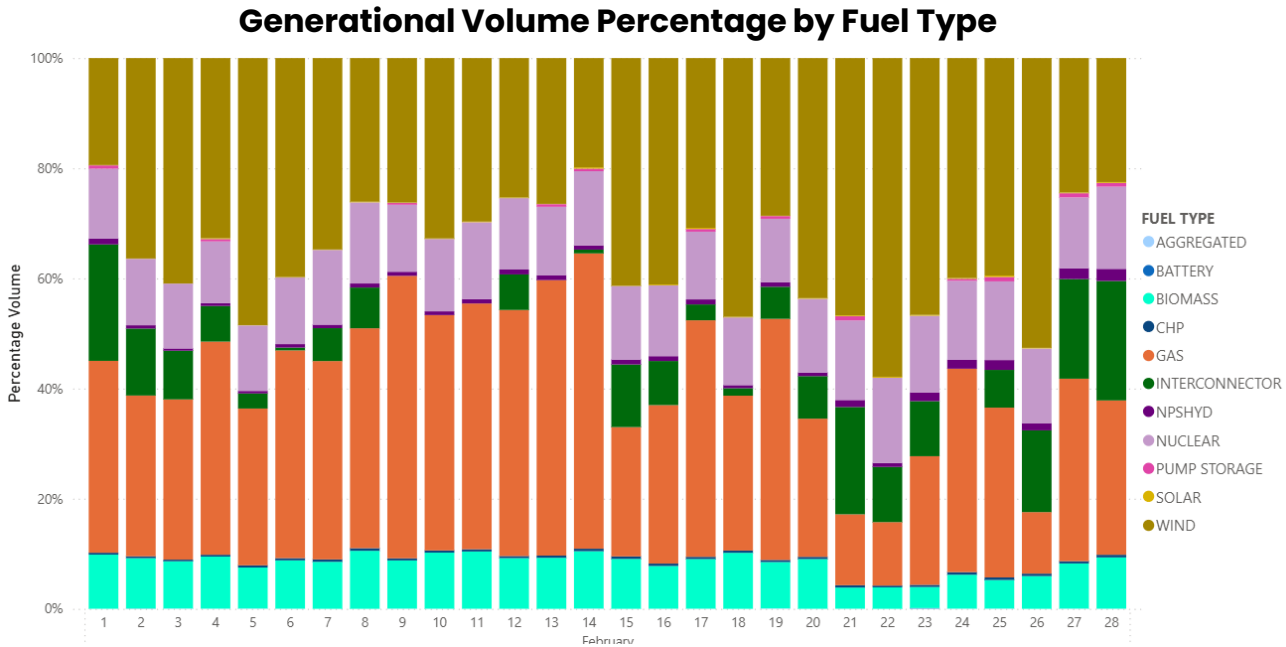

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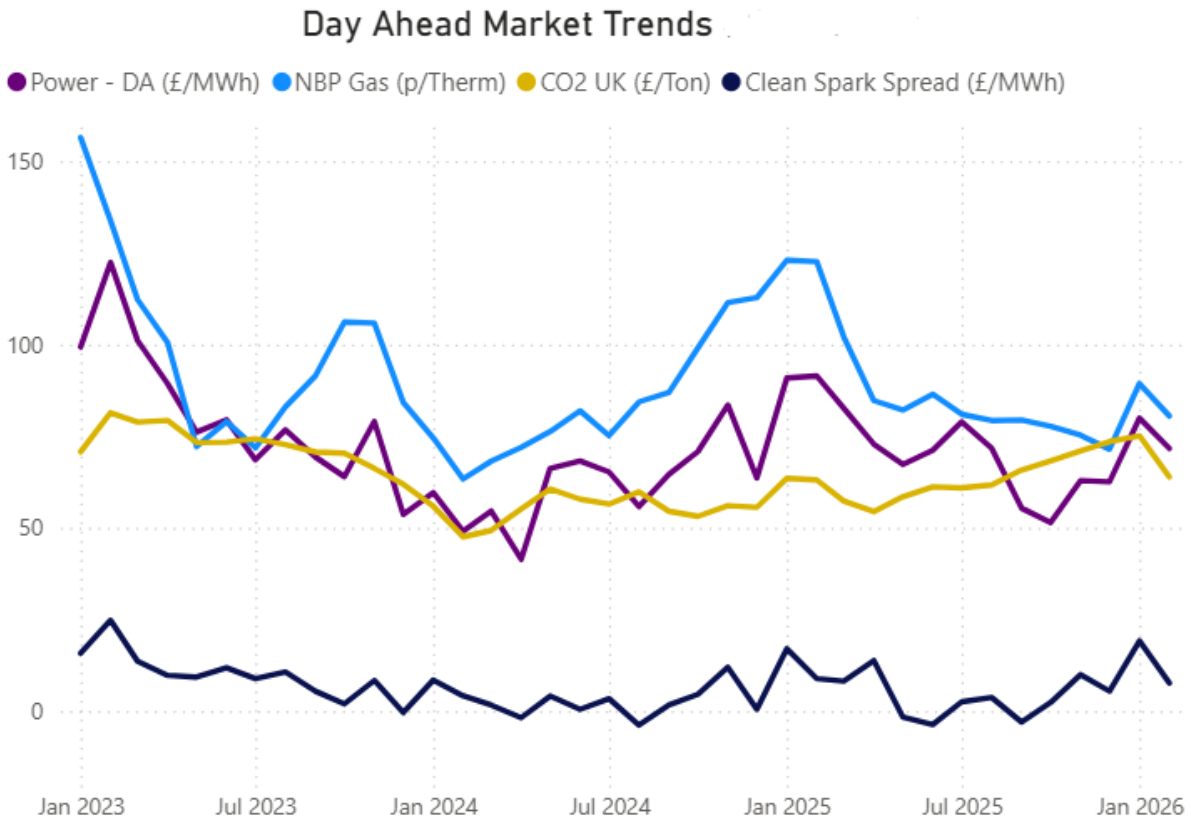
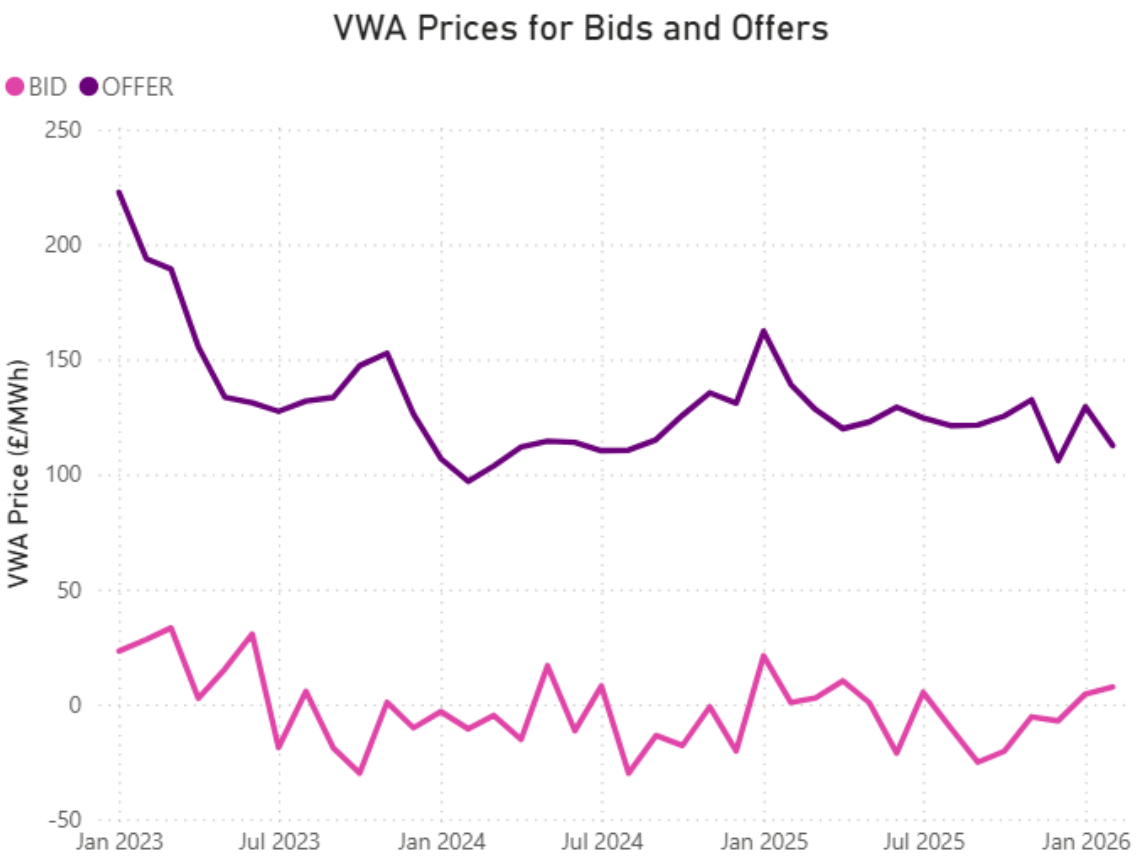
Market Conditions

	DA Power Price	VWA offer price	VWA bid price
M-o-m change	-£20/MWh	-£17/MWh	+£3/MWh
Y-o-y	-£27/MWh	-£27/MWh	+£7/MWh





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Daily Costs and Volumes

The highest cost day was 5th February at £16m.

The date had the highest wind outturn and highest level of wind curtailment during the month.

Since May 2025, all the monthly highest costing days have been above £20m. Therefore, February represents a significant reduction in daily cost volatility.

Daily average cost was £7.2m, approximately a £2.2m decrease on the previous month.

Key trends from previous month:

	Constraint	Non-constraint
Cost	↓ -30%	↓ -32%
Volume	↓ -22%	↓ -22%

Daily average cost:

£7.2m

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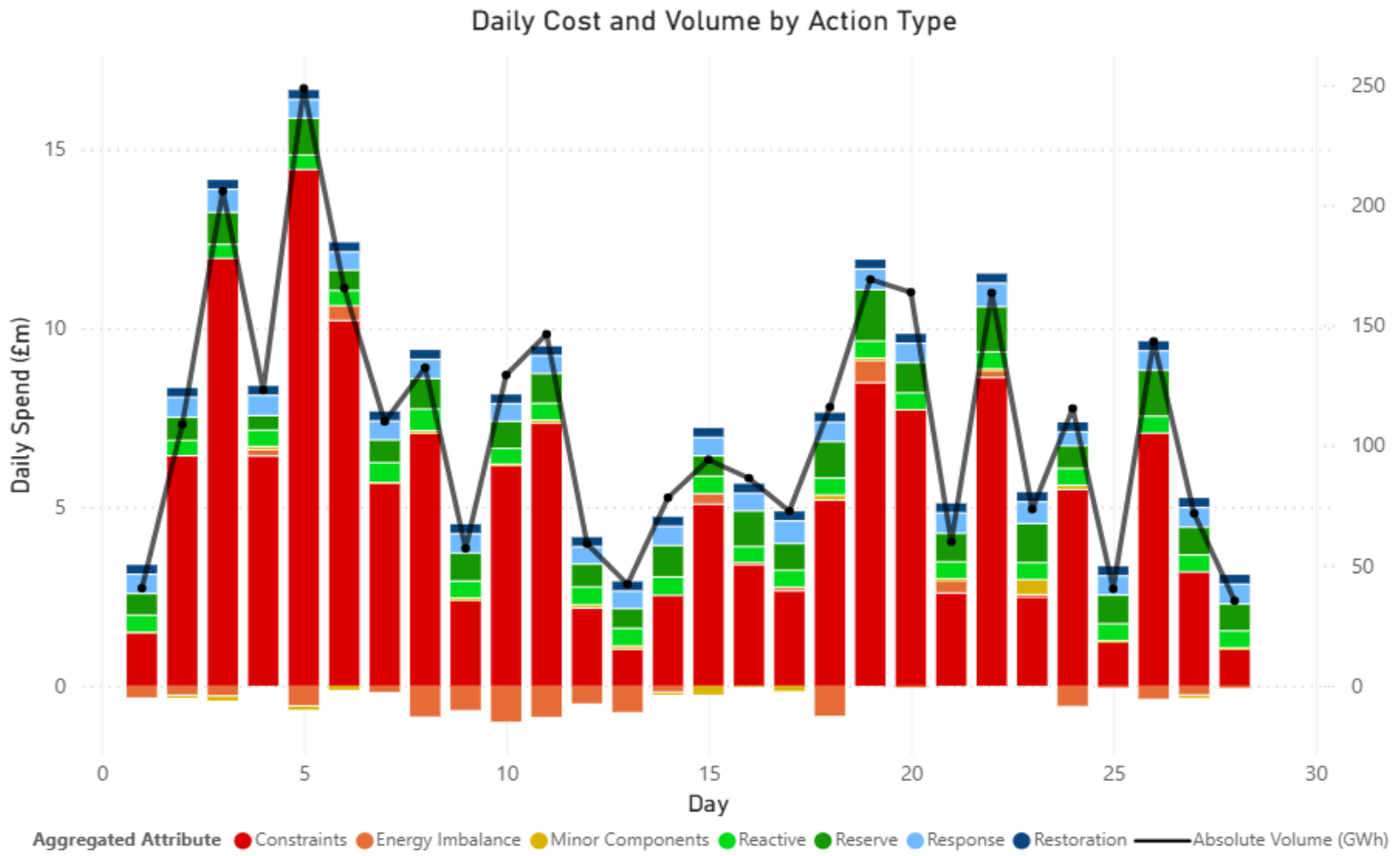

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Wind Outturn

Monthly wind curtailment %:

10.2%

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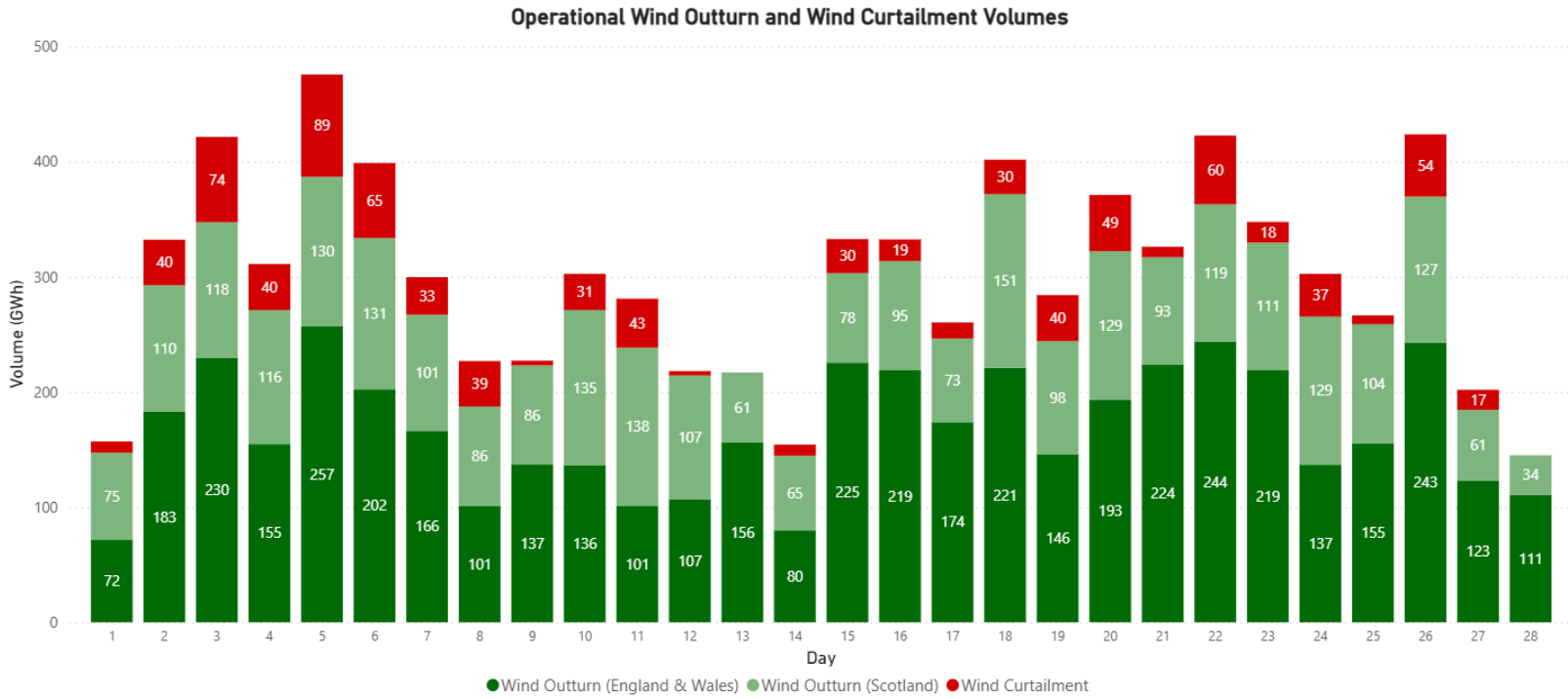
Overall wind outturn dropped from 8.6 TWh in January to 7.6 TWh in February.

There was a 367GWh decrease in the amount of wind curtailment compared to January and a 288GWh decrease from February 2025.

The highest volume wind curtailment days were seen at the start of the month:
- 5th February (89GWh) - highest cost day
- 3rd February(74GWh) - second highest cost day
- 6th February(65GWh) – third highest cost day

	Total	England & Wales	Scotland
Wind Outturn (GWh)	**7,577**	**4,715**	**2,862**
Wind Curtailment (GWh)	**865**	**13**	**852**



Demand | Last week demand out-turn

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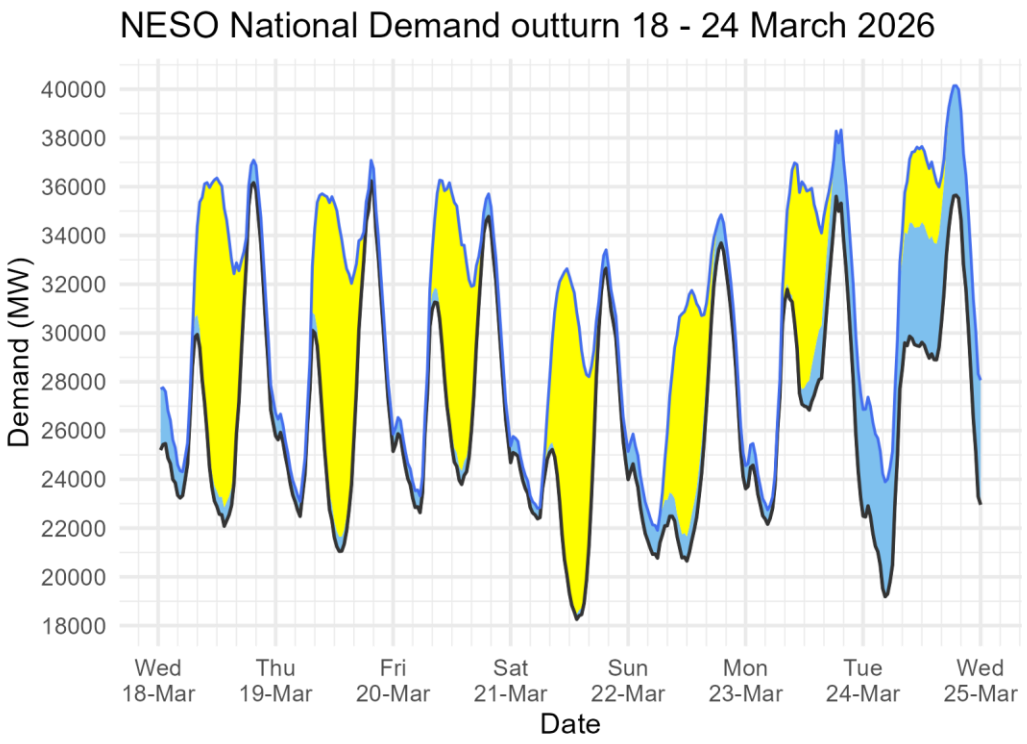

The black line (National Demand ND) is the measure of portion of total GB customer demand that is supplied by the transmission network.
ND values do not include export on interconnectors or pumping or station load

Blue line serves as a proxy for total GB customer demand. It includes demand supplied by the distributed wind and solar sources, but it does not include demand supplied by non-weather driven sources at the distributed network for which NESO has no real time data.

Historic out-turn data can be found on the NESO Data Portal in the following data sets: Historic Demand Data & Demand Data Update

From March to October, the table will display overnight minimum (between 00:00 and 07:30) and daytime minimum (between 07:30 and 16:30) as well as an additional column: distributed PV.

Distributed generation

Peak values by day

Date	OUTTURN	
	Daily Max Dist. PV (GW)	Daily Max Dist. Wind (GW)
18 Mar 2026	12.9	2.5
19 Mar 2026	13.1	0.9
20 Mar 2026	10.1	1.0
21 Mar 2026	12.9	1.2
22 Mar 2026	9.5	1.3
23 Mar 2026	8.5	4.4
24 Mar 2026	3.3	5.1

National Demand

Minimum Demands

Date	Forecasting Point	FORECAST (Wed 18 Mar)			OUTTURN		
		National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
18 Mar 2026	Daytime Min	22.4	0.7	11.0	22.1	0.8	12.3
19 Mar 2026	Overnight Min	23.6	0.6	0.0	22.5	0.6	0.0
19 Mar 2026	Daytime Min	22.6	0.5	11.0	21.0	0.6	12.7
20 Mar 2026	Overnight Min	23.9	0.4	0.0	22.6	0.7	0.0
20 Mar 2026	Daytime Min	22.2	0.5	10.8	23.8	0.6	9.3
21 Mar 2026	Overnight Min	22.8	0.5	0.0	22.4	0.4	0.0
21 Mar 2026	Daytime Min	18.5	0.4	10.5	18.3	0.2	12.4
22 Mar 2026	Overnight Min	21.4	1.1	0.0	20.8	1.1	0.0
22 Mar 2026	Daytime Min	19.9	2.0	8.4	20.6	1.0	9.5
23 Mar 2026	Overnight Min	20.7	2.8	0.0	22.2	0.6	0.0
23 Mar 2026	Daytime Min	26.8	3.5	6.1	26.8	1.2	7.8
24 Mar 2026	Overnight Min	21.6	3.3	0.0	19.2	4.7	0.0
24 Mar 2026	Daytime Min	26.9	3.2	7.2	28.5	4.5	1.1

Demand | Week Ahead

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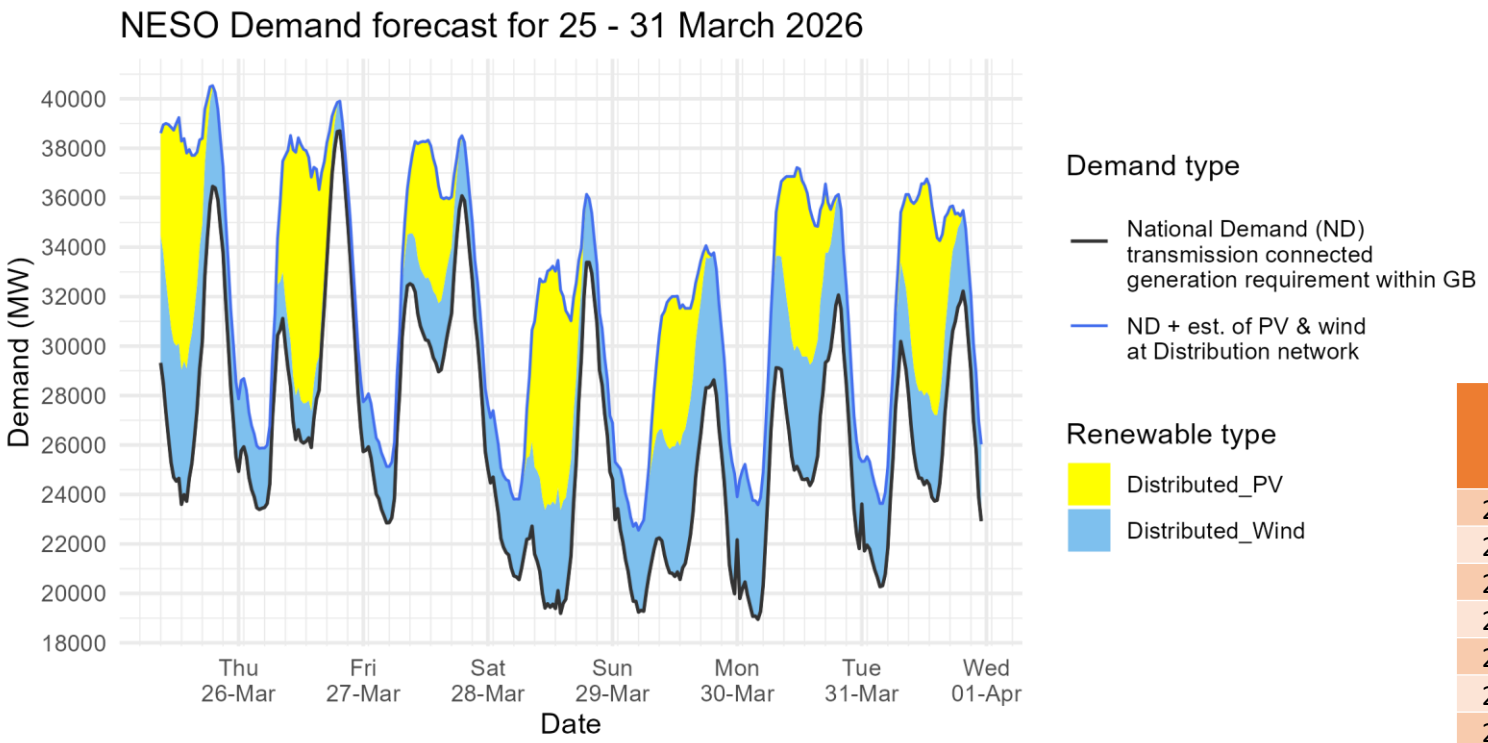

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National Demand

Minimum Demands

		FORECAST (Wed 25 Mar)		
Date	Forecasting Point	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
25 Mar 2026	Daytime Min	23.6	5.4	9.2
26 Mar 2026	Overnight Min	23.4	2.5	0.0
26 Mar 2026	Daytime Min	25.9	1.5	9.5
27 Mar 2026	Overnight Min	22.9	2.3	0.0
27 Mar 2026	Daytime Min	29.0	2.8	4.7
28 Mar 2026	Overnight Min	20.6	3.2	0.1
28 Mar 2026	Daytime Min	19.2	4.2	8.9
29 Mar 2026	Overnight Min	19.2	3.3	0.0
29 Mar 2026	Daytime Min	20.6	5.4	5.6
30 Mar 2026	Overnight Min	18.9	4.6	0.0
30 Mar 2026	Daytime Min	24.4	4.9	6.3
31 Mar 2026	Overnight Min	20.3	3.4	0.0
31 Mar 2026	Daytime Min	23.7	3.5	7.8

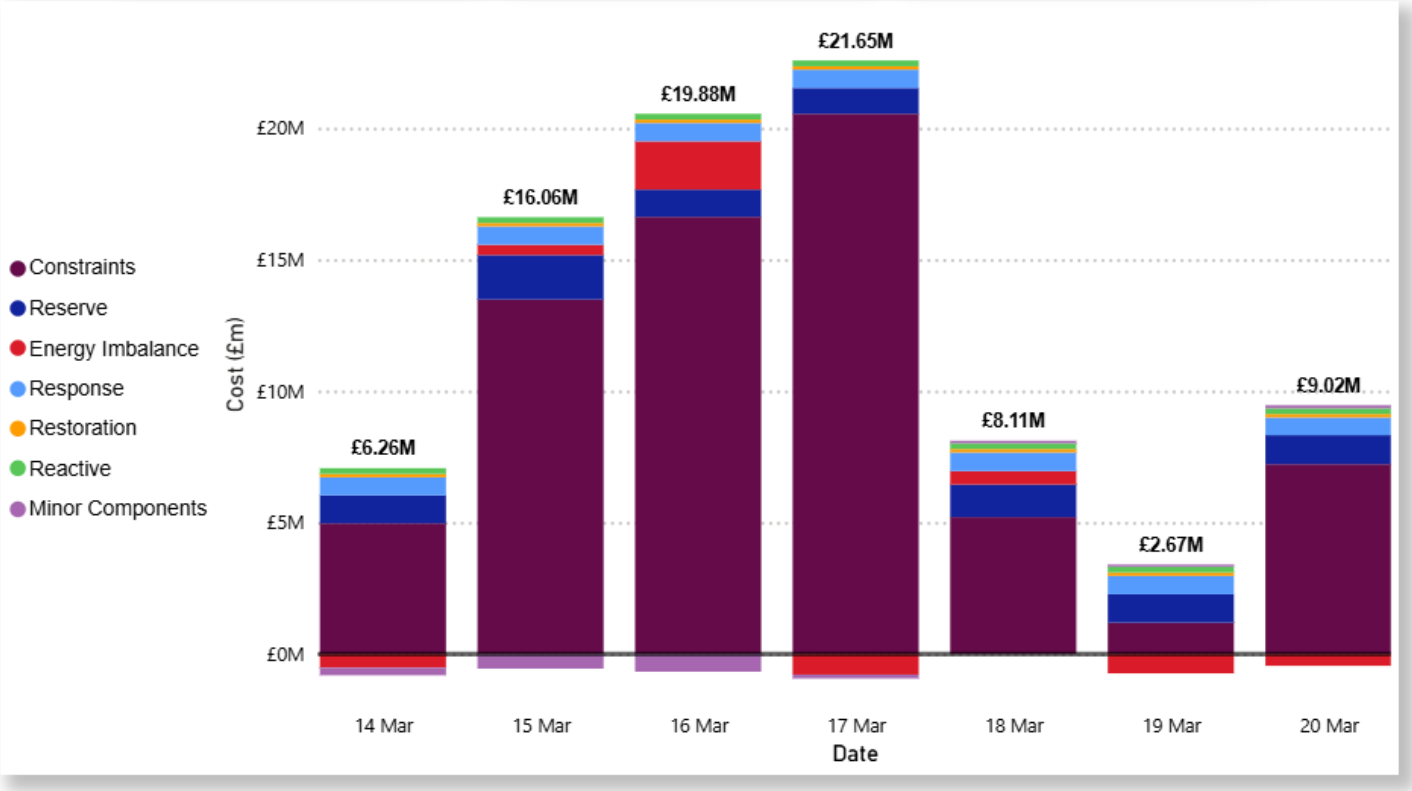
NESO Actions | Category Cost Breakdown

Slido code #OTF

Date

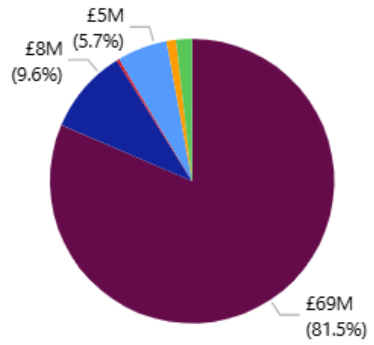
14/03/2026 20/03/2026

Weekly Total Costs (£)	Last Week Total Costs (£)	Past 30-Day Average Costs (£)
83.7M	94.1M	9.9M



Date	Total Costs
14 March 2026	£6,262,497
15 March 2026	£16,063,646
16 March 2026	£19,881,042
17 March 2026	£21,651,381
18 March 2026	£8,114,474
19 March 2026	£2,671,886
20 March 2026	£9,016,392
Total	**£83,661,318**

Weekly Cost (£) and Share (%)



For more info on constraint costs, and the steps NESO is taking with industry partners to address them, please see our Balancing Costs website.

We will be providing an update on NESO's activities to manage constraints following publication of DESNZ' Reformed National Pricing Delivery Plan.

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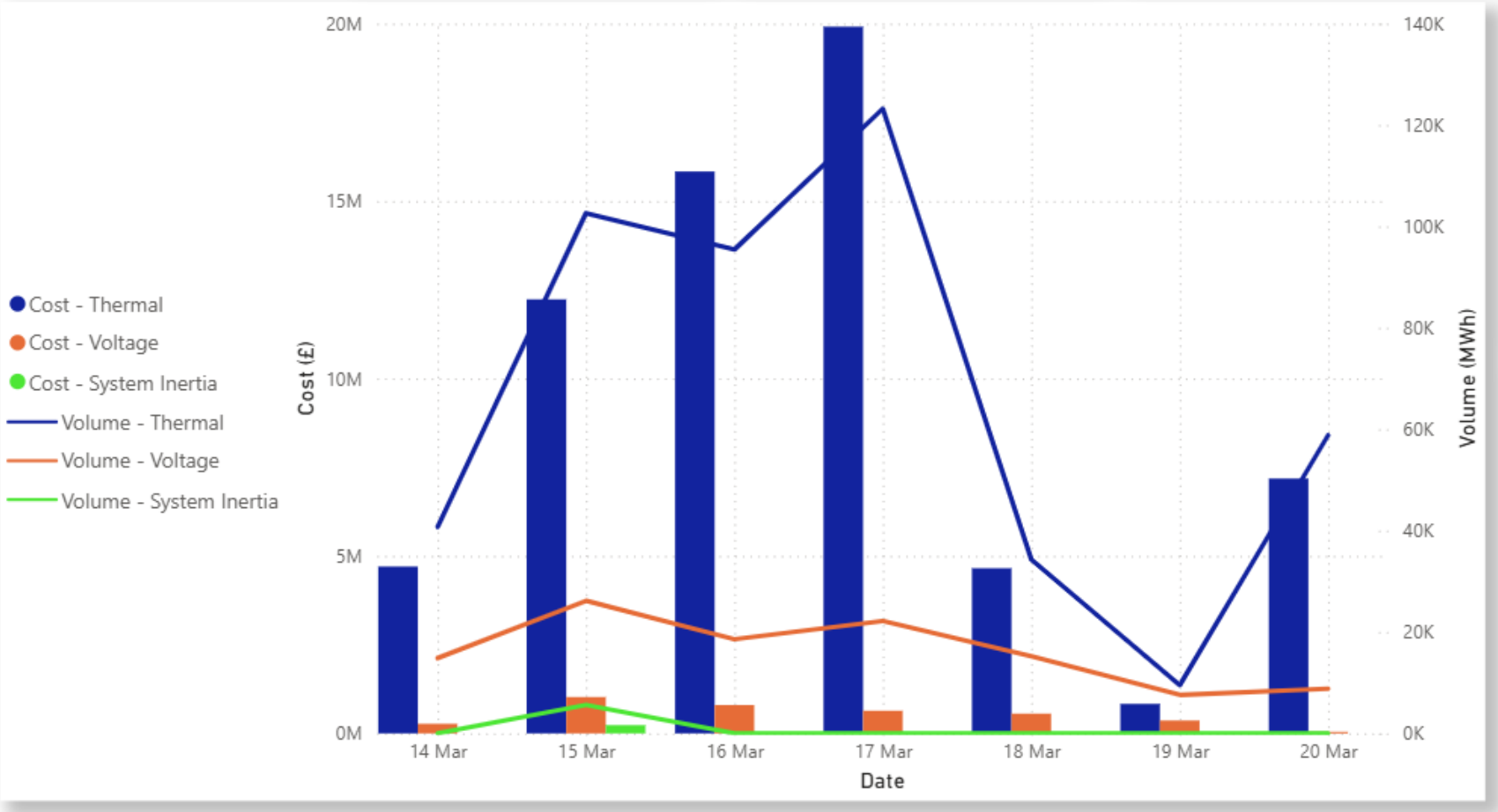
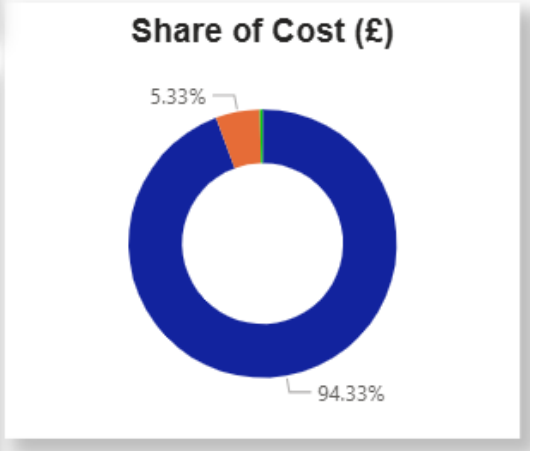
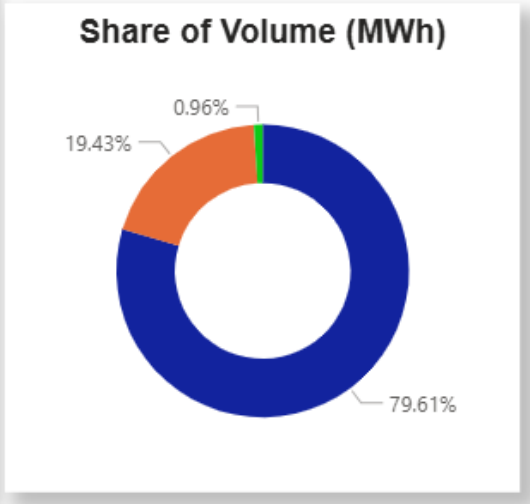
NESO Actions | Constraint Cost Breakdown

Date
14/03/2026 20/03/2026

Thermal Constraints		Voltage Constraints		System Inertia	
Costs (£)	Vol (MWh)	Costs (£)	Vol (MWh)	Costs (£)	Vol (MWh)
65.35M	464.58K	3.69M	113.41K	232.29K	5.59K







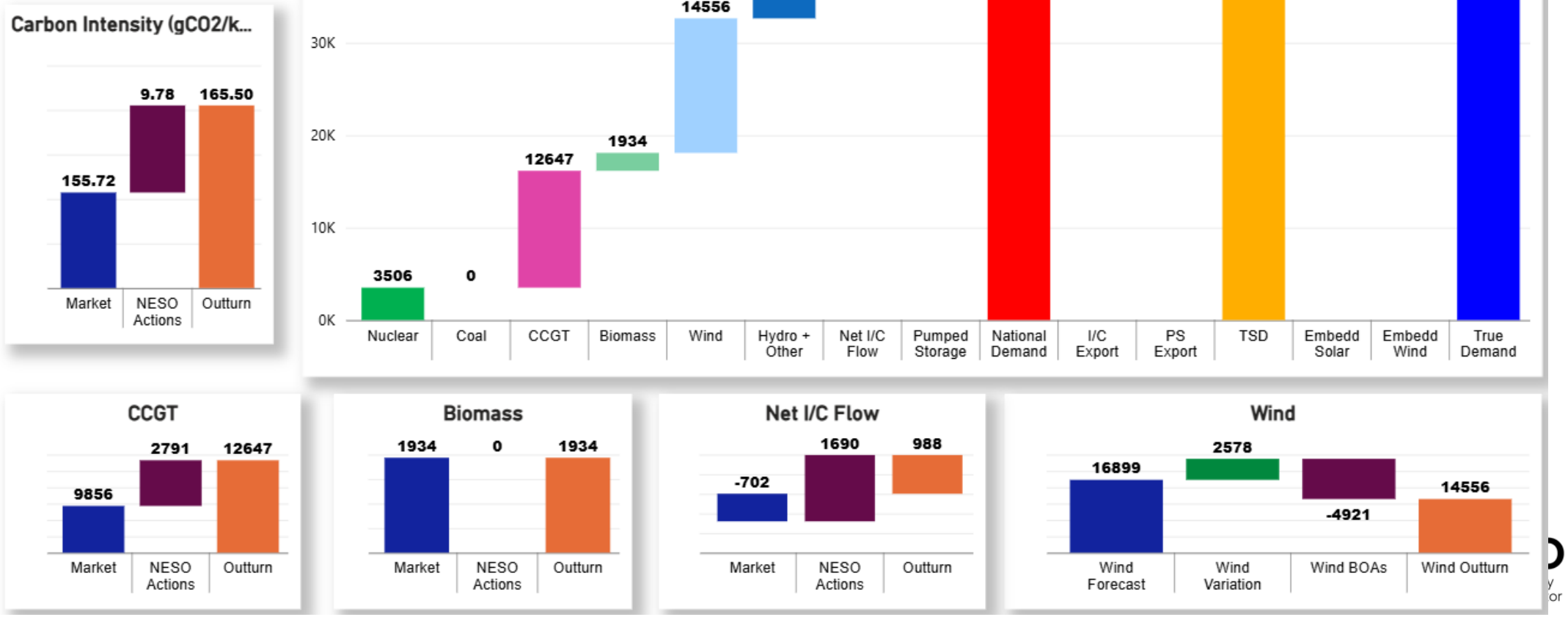
Note: Thermal Constraint volume is reported as an absolute figure.

NESO Actions | Peak Demand – Settlement Period (SP) spend ~£477k Monday 16th March

Slido code #OTF

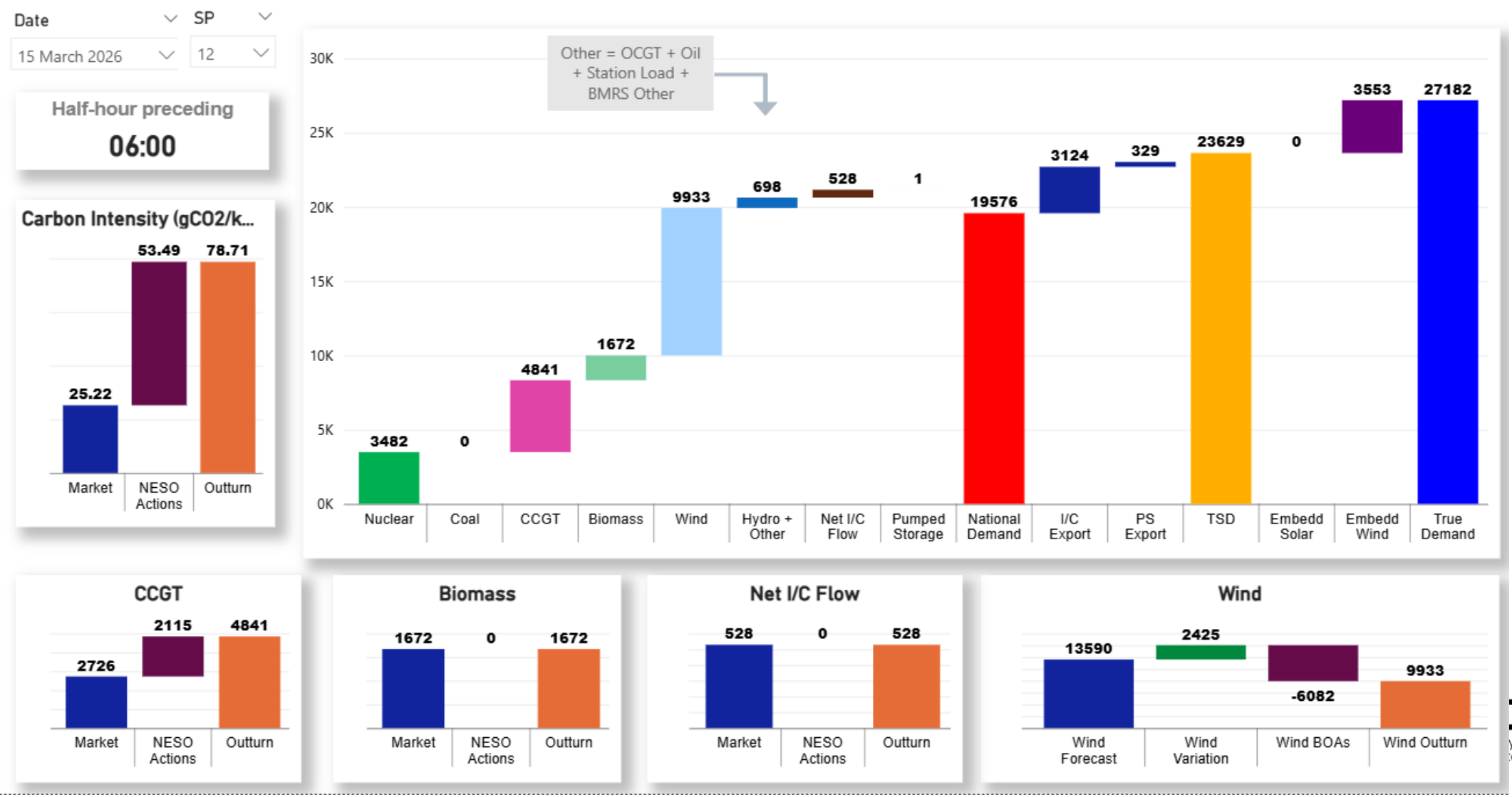
Date: 16 March 2026 | SP: 37

Half-hour preceding: 18:30



NESO Actions | Minimum Demand – SP spend ~£444k
Sunday 15th March

Slido code #OTF

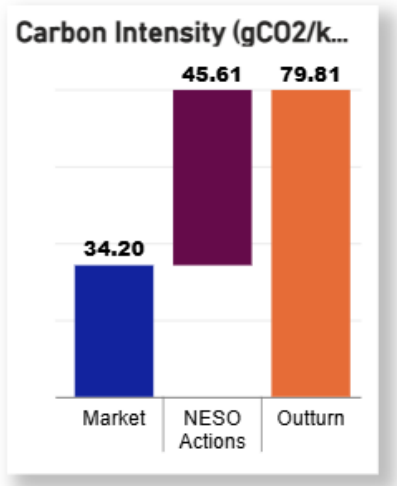


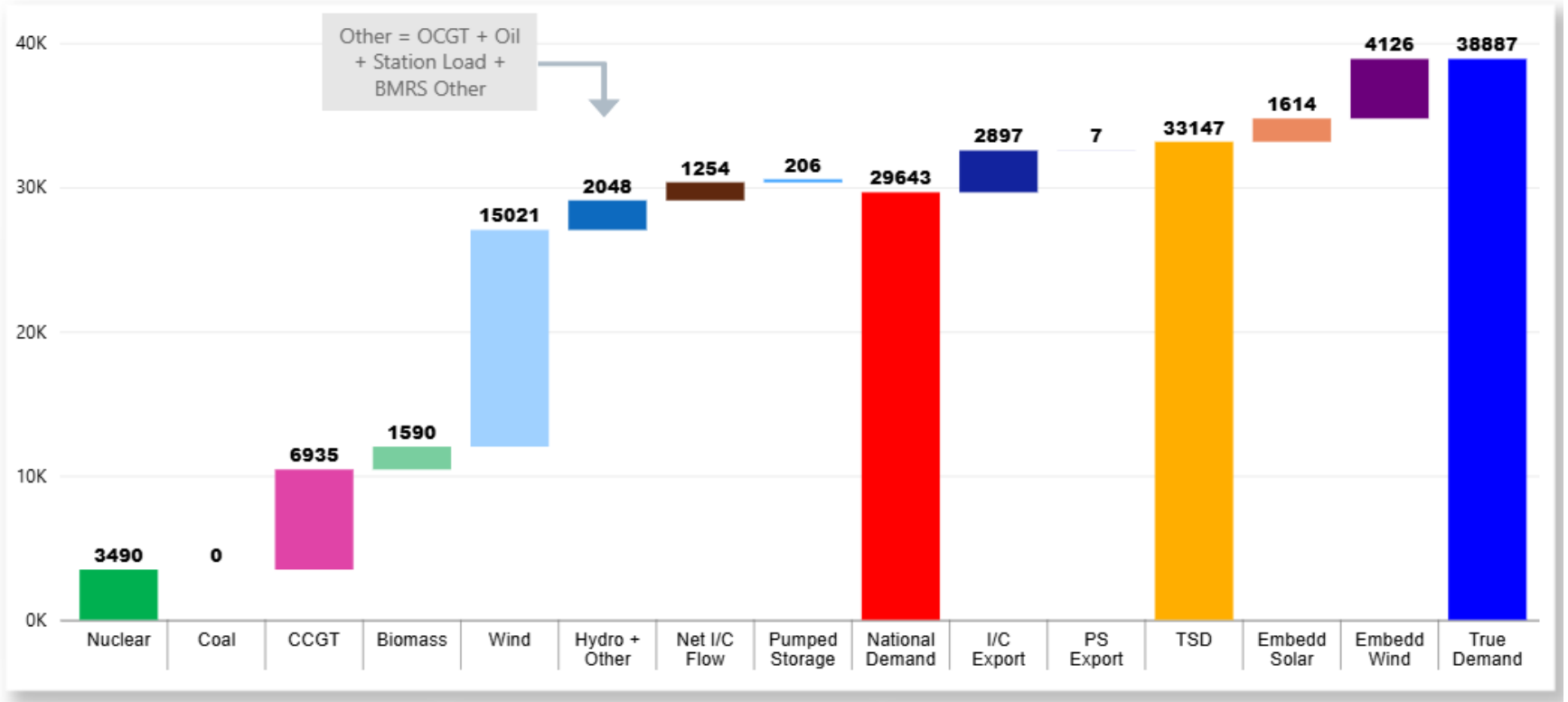
NESO Actions | Highest SP spend ~£635k Tuesday 17th March

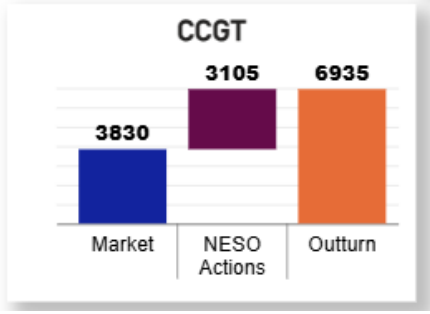
Slido code #OTF

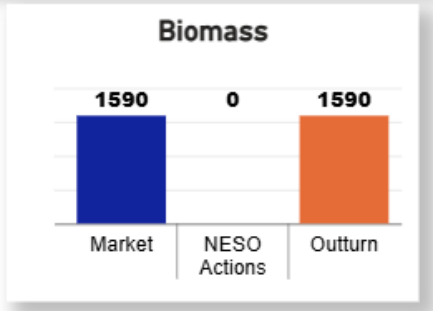
Date: 17 March 2026 | SP: 16

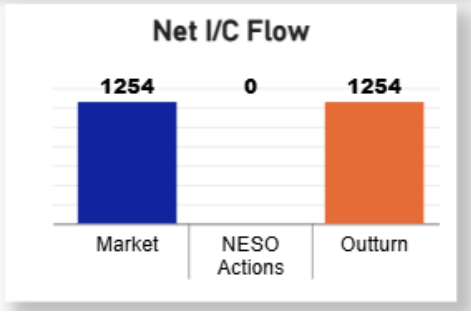
Half-hour preceding
08:00

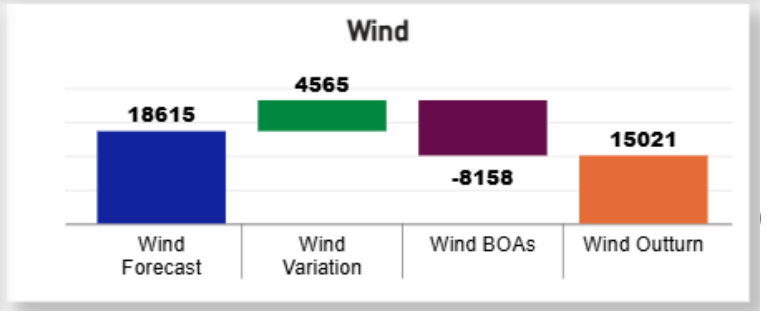






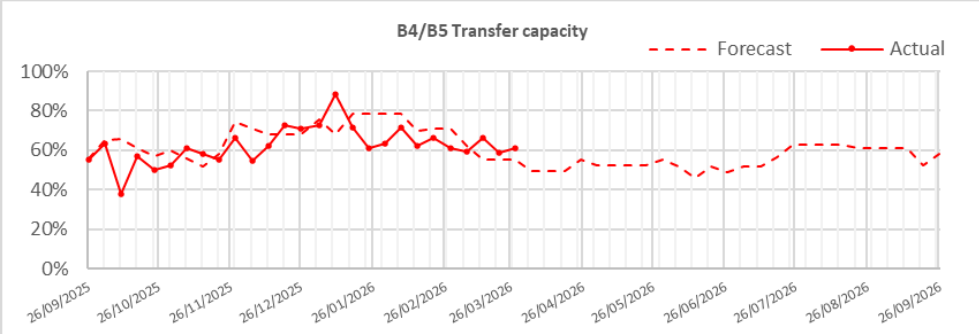


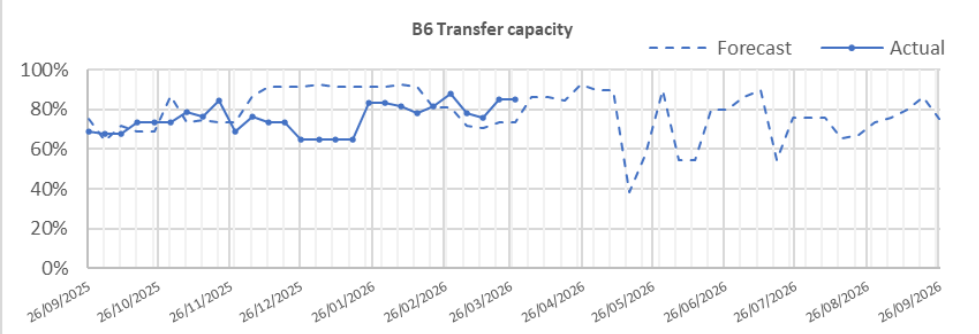


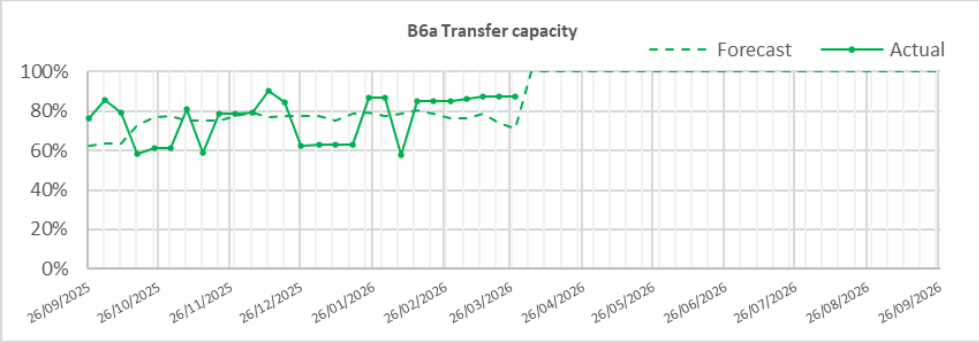


Transparency | Network Congestion

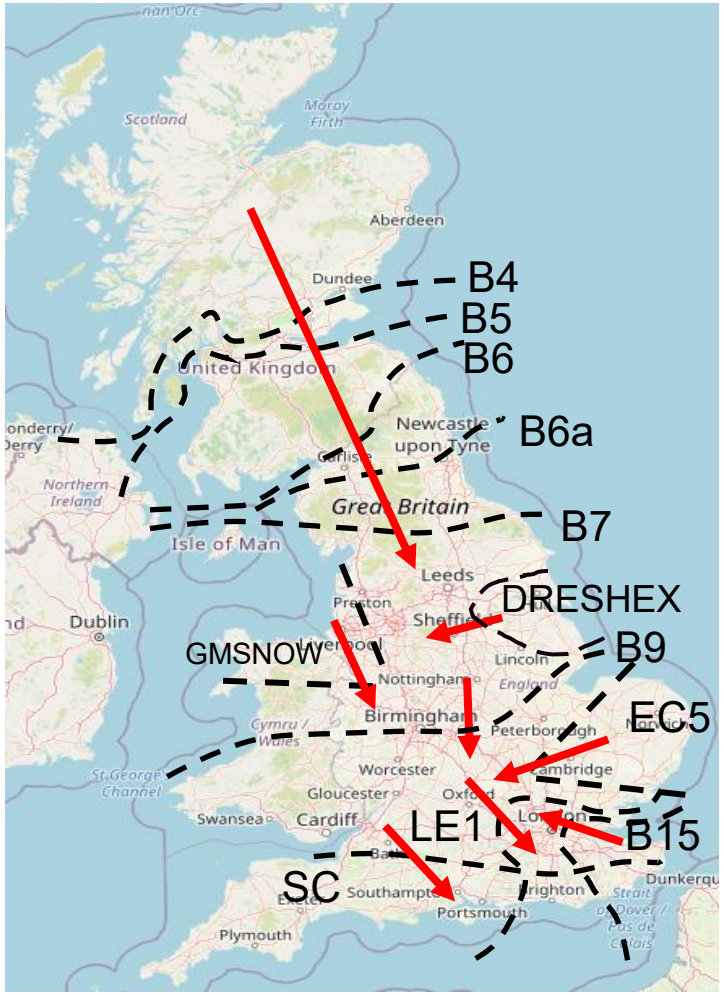
Slido code #OTF







Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	61
B6 (SCOTEX)	6800	85
B6a	8000	88
B7 (SSHARN)	9850	84
GMSNOW	5800	20
FLOWSTH (B9)	12700	87
DRESHEX	9675	64
EC5	5000	100
LE1 (SEIMP)	8750	83
B15 (ESTEX)	7500	83
SC1	7300	100



The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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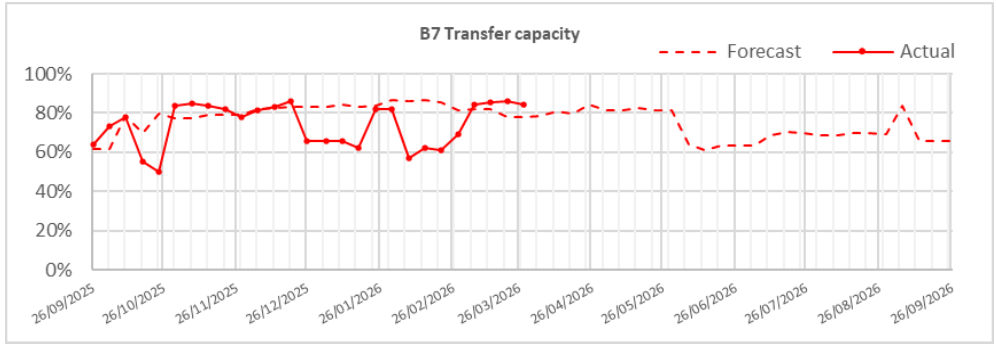
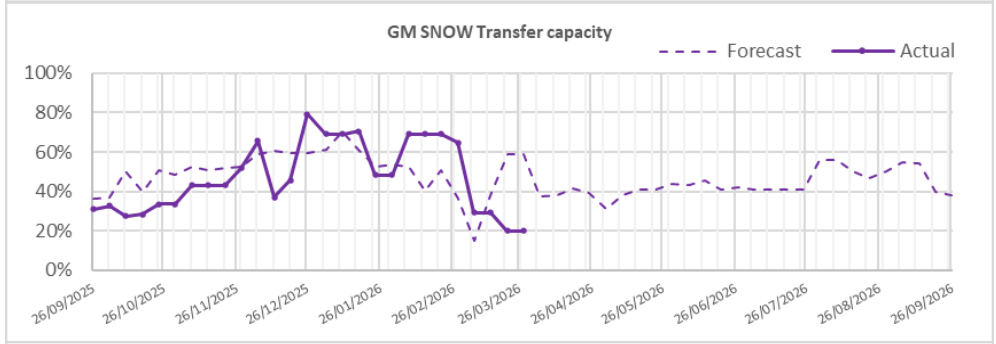
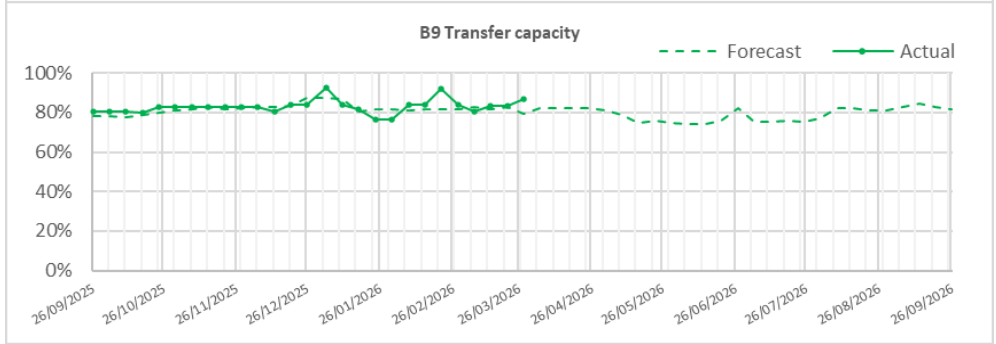
Transparency | Network Congestion

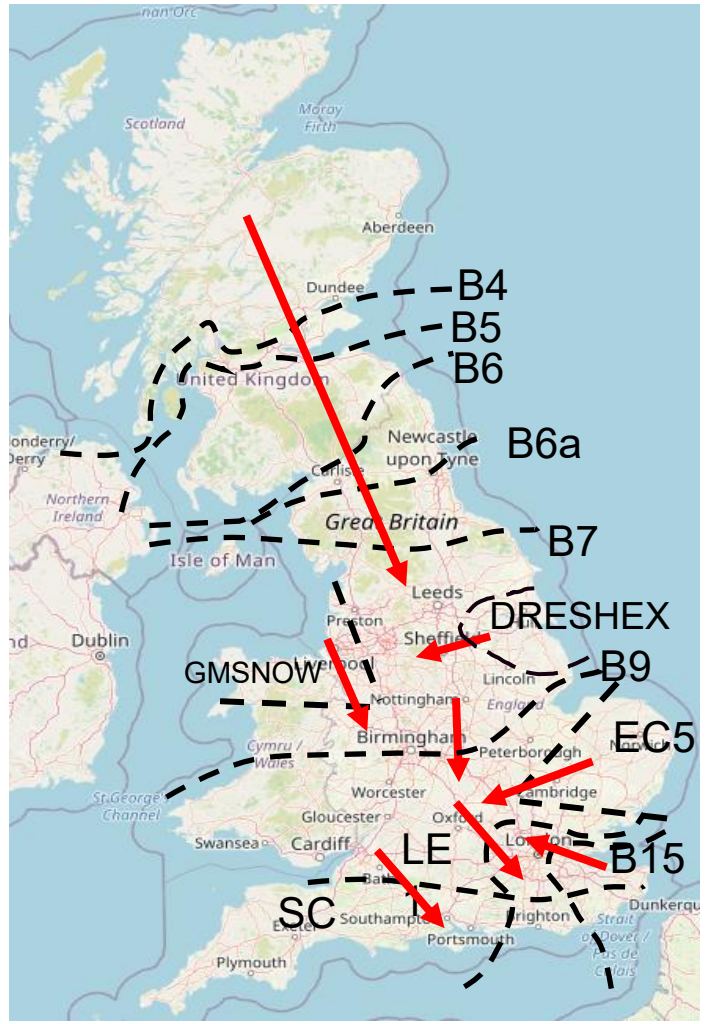






Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	61
B6 (SCOTEX)	6800	85
B6a	8000	88
B7 (SSHARN)	9850	84
GMSNOW	5800	20
FLOWSTH (B9)	12700	87
DRESHEX	9675	64
EC5	5000	100
LE1 (SEIMP)	8750	83
B15 (ESTEX)	7500	83
SC1	7300	100

Slido code #OTF



The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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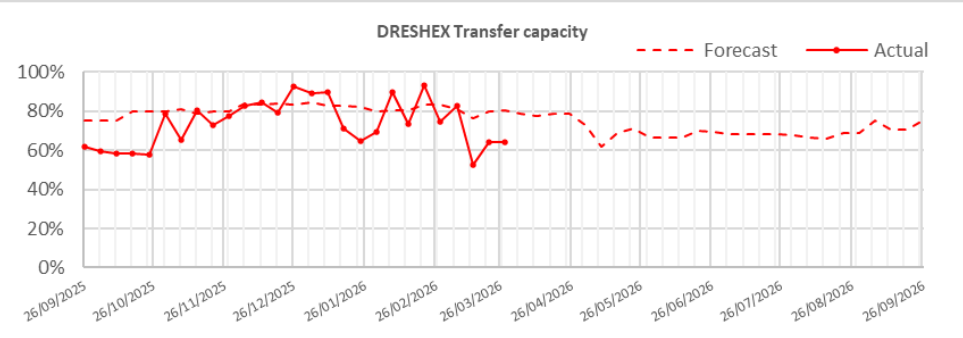

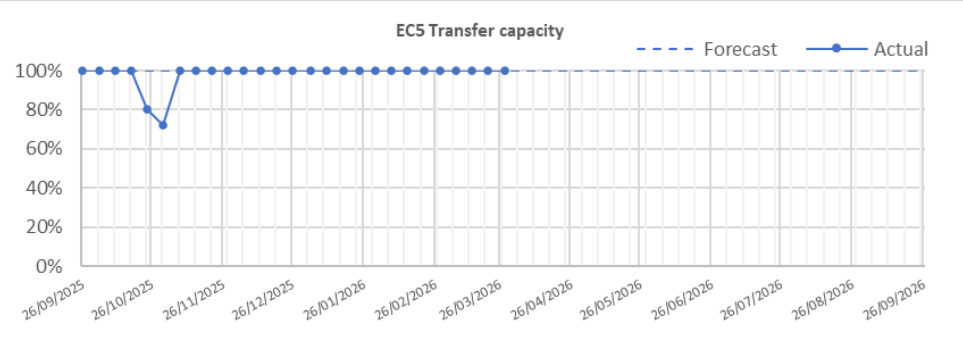

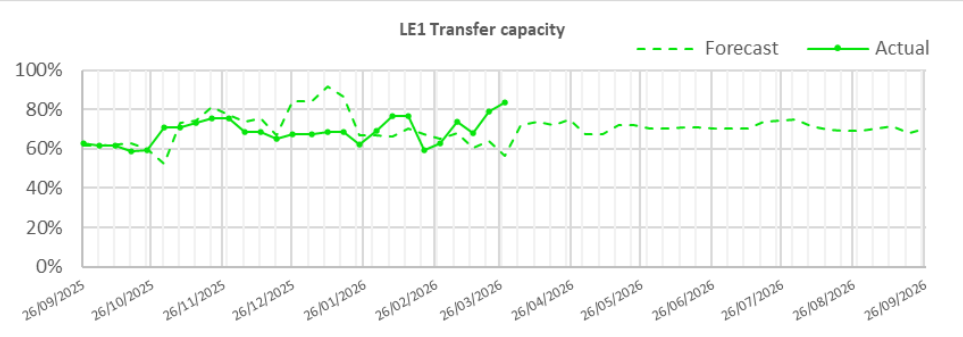

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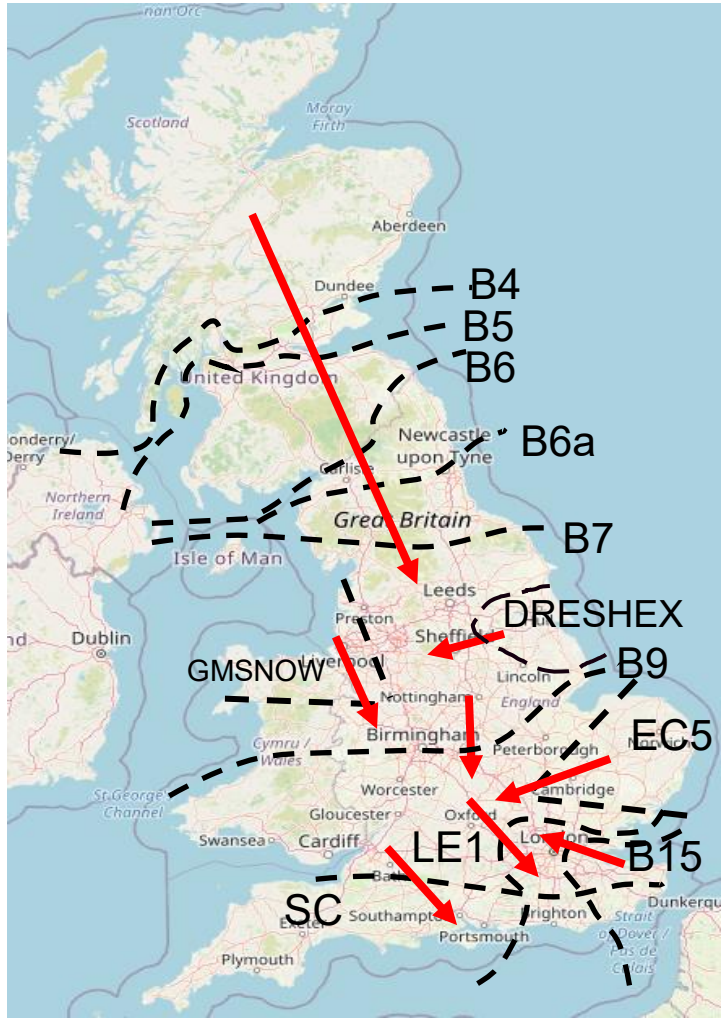

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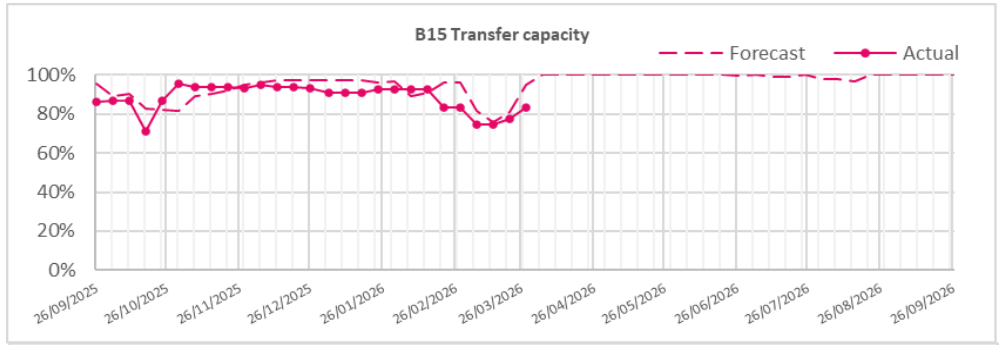

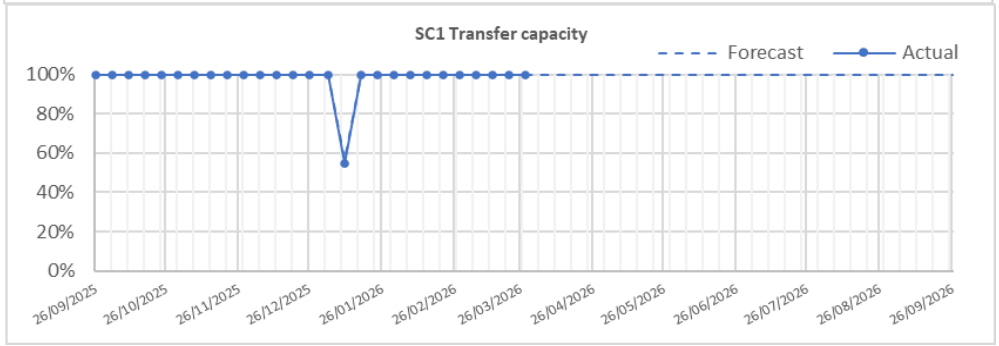

The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

Day ahead flows and limits, and the 24-month constraint limit forecast are published on the ESO Data Portal: Constraints Management

(The forecast and day ahead limits may vary due to changes in the outage plan. The plan is reviewed periodically throughout the year to ensure we are optimising system conditions, whilst managing any necessary outage plan changes.

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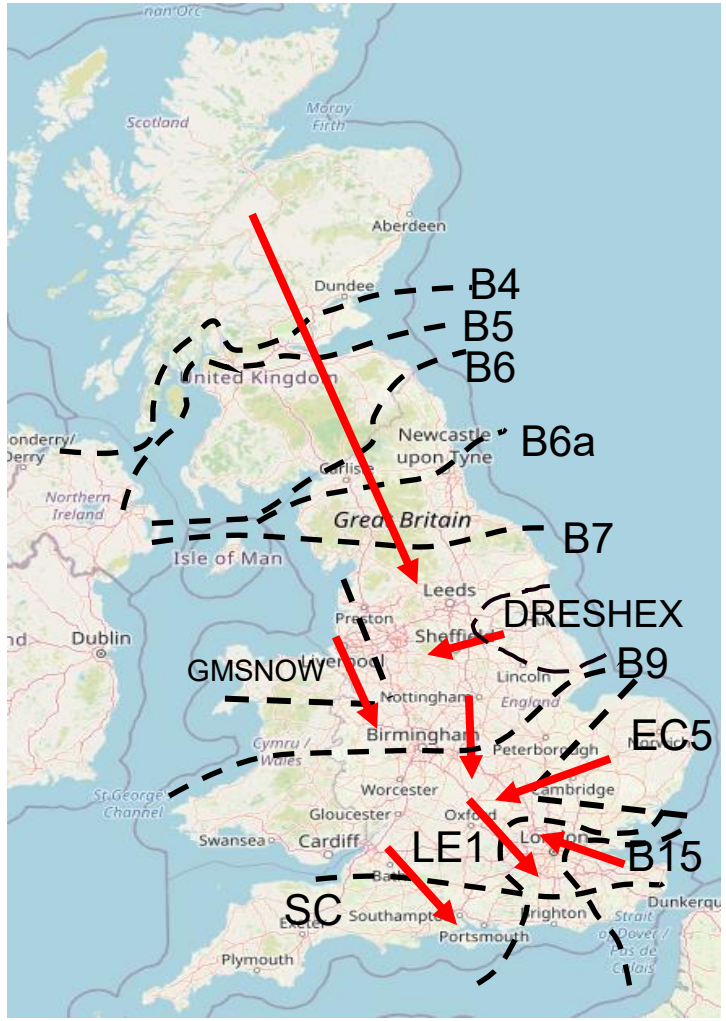

PSA Skip Rates – bids & offers combined

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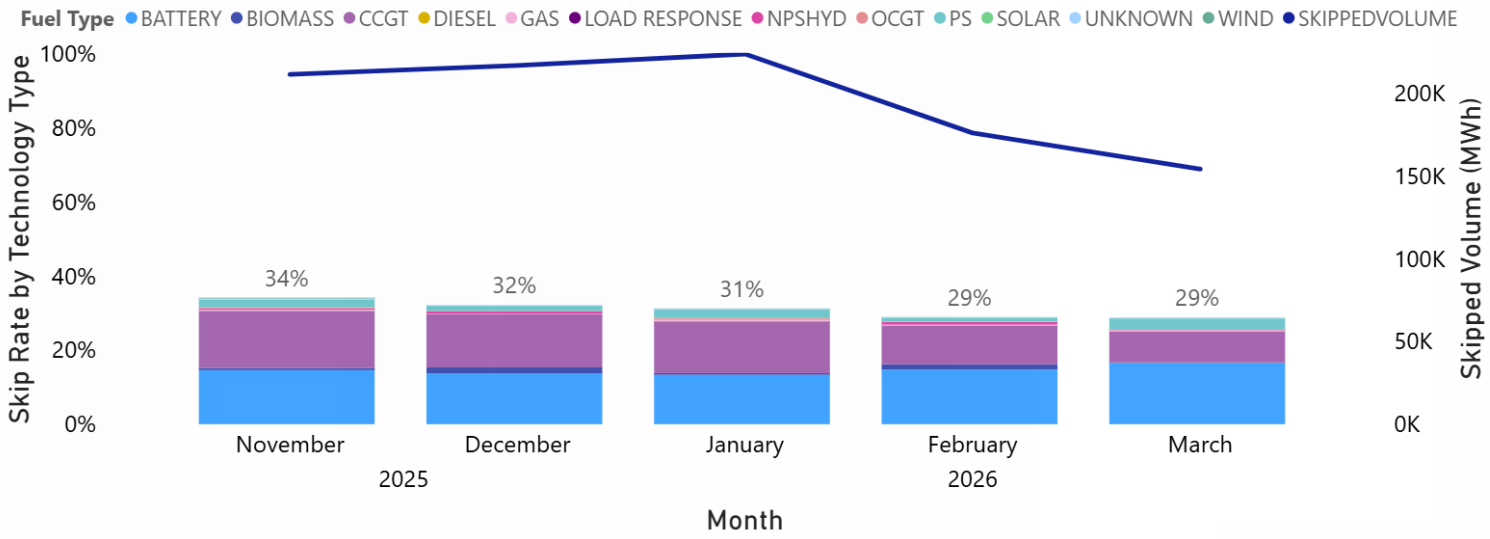
The current skip rate methodology only considers energy actions within the BM

We welcome your comments and feedback on these figures and how we present this data.

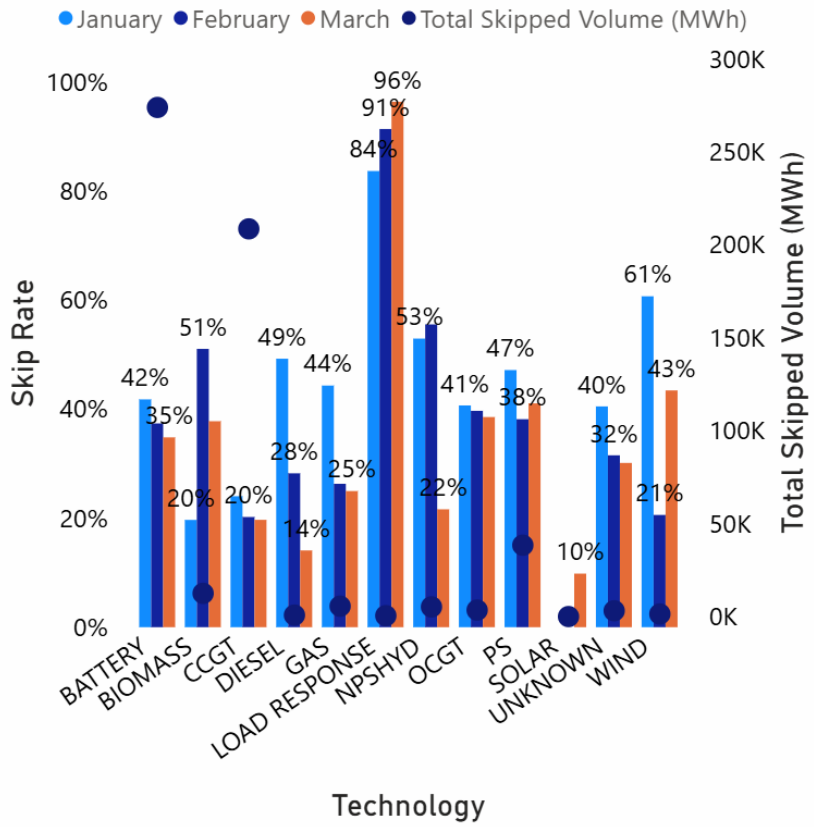
These graphs are based on stage 5 of the Post System Action definition.

Weekly Average w/e	PSA Skip Rate (%)
01/03	31%
08/03	44%
15/03	43%
22/03	27%

Relative Technology Skip Rate



Technology Specific Skip Rate – last 3 months



Gas: Gas reciprocating units
NPSHYD: Non-Pumped Storage Hydro
PS: Pumped Storage

Contact us on box.SkipRates@neso.energy

Skip rate data and more info on skip rates including methodology can be found on our website.

Rerecorded deep dive can be found on our webpage: here

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Previously Asked Questions

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Q: (18/03/2026) Did you record the skip rates constraint webinar, and if so, when are you planning on sharing this on your website?

A: We have published the recording, slides and Q&A document here: Skip rates | National Energy System Operator

Q: (18/03/2026) B4/B5 has been heavily constrained by a double circuit outage on the network, leading to substantial balancing costs resulted due to curtailment of wind generation. As we are still in high wind period, what was the justification for scheduling such a critical DC outage at this time of the year?

A: NESO is actively working with Transmission Owners to deliver a series of projects to strengthen Scotland's electricity network as soon as practicably possible, helping to achieve CP30 targets and enabling long-term benefits for consumers. When scheduling outages for these projects, careful consideration is given to their critical timelines and the need to coordinate with other essential works across the system. In some cases, the complexity of the works require certain high-impact outage combinations to be undertaken together. Outage planning is also influenced by seasonal environmental factors - particularly the need to protect local wildlife and their habitats, when work must be avoided to preserve protected species. NESO carries out ongoing, thorough assessments to ensure all outages are delivered efficiently, cost-effectively and securely, supporting the transition towards a decarbonised energy network.

NESO OTF Q&A Guidelines

Slido code #OTF

- **Anonymous Questions:** We won't answer questions from unidentified parties live. If you need to stay anonymous, use the advance question or email options.
- **Challenge Concerns:** The OTF isn't the place to challenge actions of individual parties (except NESO). Report such concerns to the Market Monitoring team at: mailto:box.nc.customer@neso.energy.
- **Question Order:** We'll answer questions in the order they are upvoted. If we can't answer a question right away, we'll take it away or address it later.
- **Slido Availability:** Slido will stay open until 12:00, even if the call ends earlier, to give you more time to ask questions.
- **Q&A:** All questions asked through Slido will be recorded and published with answers in the Operational Transparency Forum Q&A on our webpage: https://www.neso.energy/what-we-do/systems-operations/operational-transparency-forum
- **Takeaway Questions:** These will be included in the next OTF pack. We might ask you to email us to clarify details
- **Out of Scope Questions:** These will be forwarded to the right NESO expert or team for a direct response. We might ask you to email us to ensure we have the correct contact details. For more information about the OTF's purpose and scope, check the appendix of this slide pack.

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slido

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Audience Q&As

ⓘ Start presenting to display the audience questions on this slide.

Send us your feedback..

Slido code #OTF

Using the poll in Sli.do after the event.

If you have any questions after the event, please contact the following email address: **box.nc.customer@neso.energy.**

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Appendix

Slido code #OTF

Purpose and scope of the NESO Operational Transparency Forum

Purpose: The Operational Transparency Forum runs once a week to provide updated information on and insight into the operational challenges faced by the control room in the recent past (1-2 weeks) and short-term future (1-2 weeks). The OTF will also signpost other NESO events, provide deep dives into focus topics, and allow industry to ask questions.

Scope

The OTF covers:

- Regular updates, deep dives, and focus topics
- NESO's operational strategies and challenges
- Data published by NESO
- Data and processes from other parties (e.g., BMRS by Elexon, consultations by Elexon, Ofgem, DESNZ)
- Industry questions (answers live or taken away for answering later)

Out of Scope

The OTF does not cover:

- Data owned by other parties
- Specific actions and decisions of the NESO Control Room
- Activities and operations of individual market participants
- NESO's policy and strategic decisions
- Formal consultations (e.g., Code Changes, Business Planning, Market Development)

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Skip Rates – 'In Merit' datasets

We recognise that these datasets aren't as intuitive as they could be – specifically the column headings. Please be reassured that we are looking at ways to improve this - we will update the documentation to include this information and will also discuss the datasets in more detail at the webinar on 27th February.

We will use 'accepted' and 'instructed' differently in this context, even though they are normally the same.

These datasets show the units that should have been instructed if decisions were solely based on price, rather than all units that were instructed. Therefore this dataset does not match the total accepted volume datasets in Elexon.

In Merit Volume = Accepted Volume + Skipped Volume

In Merit Volume
- This is the recreated in merit stack showing the lowest cost units that were available to meet the requirement, where the requirement is based on the volume of units that were actually instructed
- Therefore this is the volume that should have been accepted if decisions were solely based on price
- The sum of this column is the total instructed volume in the 5 minute period (subject to the relevant exclusions)

Accepted Volume
- This is the volume that was accepted in merit, as a subset of the 'In Merit Volume' column – i.e. how much volume was accepted in merit
- The sum of this column will be less than the sum of the 'In Merit Volume' column, unless there is no skipped volume
- Note: this column does not list all instructed units

Skipped Volume
- This is the volume that was skipped, as a subset of the 'In Merit Volume' column – i.e. of the volume that we should have instructed, how much was skipped

It's possible that the list of units increases, decreases, or stays the same between stages, but the total 'In Merit Volume' will always remain the same (or no volume is excluded) or decrease (due to exclusions).