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Electricity Markets Advisory Council Meeting 19 March 2026

List of attendees

EMAC Members	Role
Eoin Kennedy	Head of Future Operations, EirGrid
Ainhoa Anda	Head of Data Centre Energy EMEA, Google
Francis Dike	Head of Market Intelligence and Advisory, Elexon
Robert Gross	Director, UK Energy Research Centre
Sotiris Georgiopoulos	Director of Distribution System Operator, UKPN
Rebecca Sedler	Head of Market Design, Interconnectors, NGV
Louise Young	Head of External Affairs, Electrify Industry and Special Interest Groups, Make UK
Alastair Martin	Chief Strategy Officer, Flexitricity
Tom Lowe	Principal Economic Regulation Specialist, Citizens Advice
Simon Virley	Vice Chair & Head of Energy & Natural Resources, KPMG UK
David Wellard	Head of Regulatory Affairs, Ørsted
Tom Luff	Head of Policy and Business Model Innovation, ESC
Dena Barasi	Head of Policy, Regulation and Advocacy, E.ON UK
Ronan Devaney	Deputy Director, DESNZ
Ashley Hibben	Head of EU Negotiations and Strategy, DESNZ
Simon Rickenback	Head of Wholesale Market Priorities, DESNZ
NESO	Role
Lizzie Blaxland	Head of Future Market Design, EMAC Senior Sponsor
Magda Morenes	Technical Secretary
Carlos Vallejo	Technical Secretary
Rein de Loor	Market Strategy Manager
Danny Taylor	Market Strategy Lead
Stuart Miller	Market Strategy Lead
Saskia Barker	Wholesale Market Strategy Manager
Alifa Starlika	Senior Market Development Lead
Thomas Pownall	Senior Market Development Lead

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Agenda

1. Welcome (Lizzie Blaxland, NESO)
2. DESNZ IEM Update (Ronan Devaney, DESNZ; Ashley Hibben, DESNZ)
3. RNP Call for Input Update (Rein de Loor, NESO; Danny Taylor, NESO; Stuart Miller NESO)
4. DESNZ RNP Update (Simon Rickenbach, DESNZ)
5. Constraint Management Markets Update and Demand for Constraints (Saskia Barker, NESO; Alifa Starlika, NESO)
6. Preview of Electricity Markets Roadmap and Operability Strategy Report (Thomas Pownall, NESO)
7. Close and Next Steps (Lizzie Blaxland, NESO)

Topics discussed:

Welcome:

- Lizzie Blaxland welcomed the attendees and presented apologies for Rebecca Beresford, NESO's Director of Markets, who could not join the meeting. She also announced that two new members, representing suppliers and generators, have joined the council.

DESNZ IEM Update

- DESNZ confirmed that, as outlined in the policy paper published in December 2025, the UK and the EU will start negotiations around the participation of the UK in the EU's Internal Electricity Market (IEM).
- The agreement aims to bolster security of supply and advance both parties' net-zero objectives through enhanced collaboration in energy trading.
- DESNZ emphasized the advantages of integration with the IEM, including increased trading efficiency, benefits for consumers, development of renewable and offshore hybrid asset projects, and deeper cooperation with European counterparts such as ENTSO-E and ACER.
- The discussion covered the complexity of current interconnector arrangements. The importance of understanding how ongoing domestic reforms interact with IEM participation was also highlighted, alongside the need to keep track of EU policy developments such as the Grids Package. DESNZ confirmed that RNP and IEM are not being treated in isolation.

RNP Call for Input Update

- NESO provided an update covering the launch of the Dispatch and Balancing Call for Input and how engagement with different stakeholders has developed so far.
- It was noted the aim of industry engagement is to gather evidence, test assumptions and build a shared understanding of the proposed balancing and dispatch reforms.

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- NESO shared some of the initial feedback received, with the main points covered being (1) evidence, proportionality and case for reform, (2) market impacts and liquidity, (3) design choices and (4) process, governance and industry engagement.
- It was highlighted that stakeholders' responses will feed into a cost-benefit analysis (CBA), implementation assessments, and ultimately recommendations to DESNZ and Ofgem, with an Industry Expert Panel supporting the process throughout.
- NESO stressed the need for a robust CBA with strong industry involvement. Regarding design choices, NESO confirmed it is not taking a dogmatic approach and is seeking industry inputs, with optionality and sensitivities to be tested through the CBA.
- Questions were asked about how the Expert Panel for the CBA will be formed and whether a group like the EMAC might play a role. It was explained that the Expert Panel will focus on thorough, technical discussions, and that NESO has shortlisted candidates to ensure representation from various industry sectors. In contrast, the EMAC serves a strategic role and may help oversee the process and offer guidance.
- Some members highlighted some of the challenges of conducting a CBA. Points raised included the risk of not ensuring accuracy across all proposed reforms, the difficulty of capturing every variable in a single CBA without excessive complexity, and the need for coherency and coordination so the industry is working from a common assessment. A further theme was clarity on which organisations are responsible for guiding the reform process.
- It was stressed that RNP should be more than a single decision, acting as a comprehensive guide and actionable roadmap for implementing the chosen reforms. It was also noted that there are multiple ways to reform the market and that concepts such as central dispatch are not binary. Key questions remain around NESO's role pre-gate closure, the function of the residual balancer, and the range of tools that need to be considered to support effective system operation.
- The importance of distinguishing among short-, medium-, and long-term approaches to constraint management was emphasized, recognising that the system may undergo significant changes in the near future. It was underscored that any proposed reforms should be resilient and adaptable to future developments.
- It was noted that, beyond GB system changes, external factors such as potential IEM participation must be considered.
- The case for exploring dispatch reform was also shared by NESO, arguing that self-dispatch under national pricing leaves material misalignment unresolved, particularly for storage and interconnectors, with high and persistent consumer costs projected to 2030 and beyond. Although central dispatch is not being pursued, NESO, DESNZ and Ofgem are continuing to explore hybrid options that improve earlier alignment with system needs while maintaining operability, investor confidence and value for consumers.
- Concerns were raised regarding the continued inefficient utilisation of batteries. Questions were also raised about whether the effects of digitalisation are being evaluated and the

Public

potential implications of the proposed reforms on Contracts for Difference (CfDs), network tariffs, and the incentivisation of new investment. Clarification was also sought on how customers or consumers are being engaged in the process.

- It was noted that revisiting the topic of central dispatch might be confusing, given it was previously dismissed under the Review of Electricity Market Arrangements (REMA), and that the discussion should be framed carefully to avoid appearing as though progress is reversing.

DESNZ RNP Update

- DESNZ presented the scope of the RNP programme and confirmed the RNP Delivery Plan will cover Strategic Spatial Energy Planning (SSEP) levers, constraint management actions and balancing and settlement reform.
- Questions were raised regarding how RNP interacts with the IEM negotiations and NESO's and Ofgem's Calls for Input.
- Additional questions focused on identifying the programme's primary concern. The response emphasized that a crucial facilitator for realizing the benefits of RNP is the enhancement and enablement of increased flexibility within the future system.

Constraint Management Markets Update and Demand for Constraints

- NESO provided a progress report on how Constraint Management Markets (CMMs) are being evaluated both within the existing market framework and as part of the proposed RNP reforms.
- In light of the REMA decision, short-term CMM options are being reconsidered, with a focus on intraday markets ahead of gate closure and potential targeting of Balancing Mechanism Units (BMUs) and demand. Savings could come from providing greater certainty within defined timeframes, rather than relying on real-time interventions.
- Short-term CMMs could reduce redispatch costs but carry risks like market distortion and actions being undone by intraday trading and increases to wholesale costs.
- Questions were raised regarding coordination with DNOs, supplier and generator participation within the scheme, and whether location factors are being considered. In response, NESO clarified that DNO coordination has not been explored at this stage. Additionally, it confirmed that it is evaluating targeting all BMUs to facilitate market enablement, but that better locational data would be needed.
- Further questions covered the size of the market and the timeline for implementation. NESO responded that these variables are still under assessment. There is uncertainty over whether CMMs should be introduced, how quickly, and overall work is at an early stage to assess overall viability.
- Concerns were raised about how dispatch reform under RNP and the CMM exercises could be coordinated, noting that some decisions might conflict between the two programmes. The possibility of testing CMMs on a smaller scale and at a faster pace was also raised.

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- The topics of how smaller customers could be integrated into the CMM and how this involvement might benefit those stakeholders were equally discussed.
- NESO subsequently presented the Demand for Constraints project, which aims to incentivize flexible demand in constrained areas via long-term contracts, with a current Request for Information open to shape market design and participation.
- NESO went through the proposed design, which includes a capacity payment to support asset business cases, with assets subsequently bidding in real time through the Balancing Mechanism, where the service would be actively used by the control room. NESO intends to launch the mechanism in 2026, with it becoming operational in 2028 to ensure readiness for 2030.
- Support was expressed for the programme, alongside concerns regarding the timing of the 2026 auction. It was observed that the short notice may not provide participants with sufficient opportunity to thoroughly assess and understand their business models prior to participation.
- It was suggested that it would be beneficial to explore ways to encourage industrial and manufacturing customers to participate, and to consider how NESO might more effectively engage with them.

Preview of Electricity Markets Roadmap and Operability Strategy Report

- NESO provided an update regarding the publication of the Electricity Markets Report and the Operability Strategy Report, highlighting also the changes made to embed the feedback provided by EMAC members at previous sessions.
- NESO confirmed that it always welcomes feedback on the publication and reviews each response to inform improvements to the report. Feedback can be sent to box.market.dev@neso.energy.