

This session will be recorded and published on our Future of Response Services webpage

Submit all questions through Slido using code #2243075 or the QR code.

Response Reform April Webinar

Fill out the following form to share your thoughts on the options assessed: [Feedback on 30 minute DX SOE Options – Fill out form](#)



Agenda

1. Consultation updates
 - Current Consultation
 - Upcoming consultations
 - Publications

2. 30 Minute Procurement
 - SOE Management

Consultations

Current Dynamic Response Consultation

Consultation launched in November 2025 & closed in December 2025

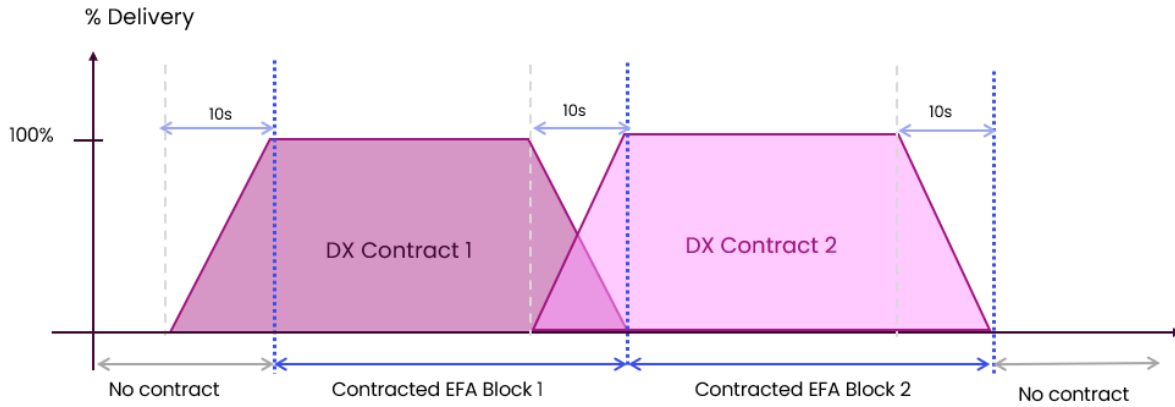
Submission to Ofgem by end of April.

Following feedback and several rounds of engagement we have made changes to some of our submissions and wish to provide an update prior to submission to Ofgem:

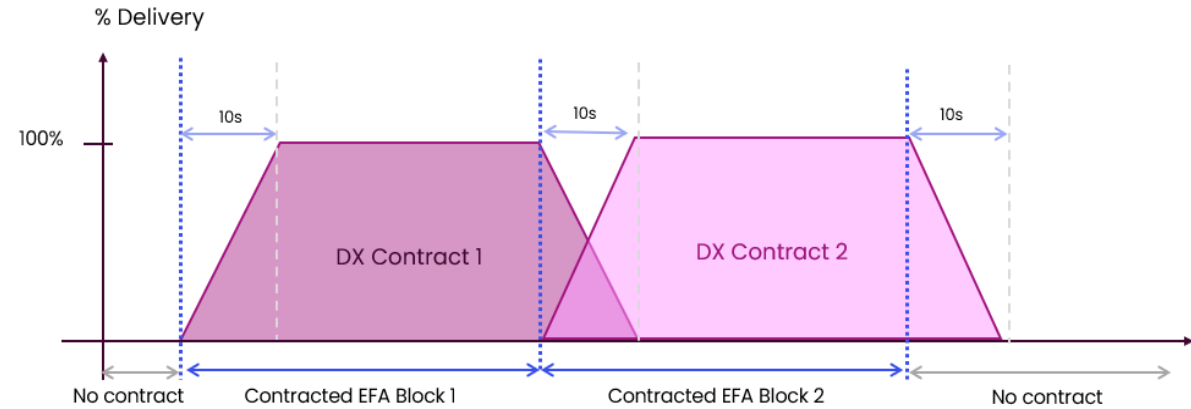
1. Tiered Performance Regime – NESO have made the decision to remove Tiers 2 and 3 (suspension & de-registration from the Tiered Performance Regime)
2. Continuous Transition Periods (CTP) and relevant performance data submission requirements – NESO have made the decision to remove this change from this consultation and we will re-consult as soon as possible.

Continuous Transition Period

Option 1 – NESO’s original proposal



Option 2 – Respondents preferred option



Static FFR Consultation

On 23 March 2026 NESO submitted the Static FFR consultation to Ofgem for a decision, full details on NESO's final proposals can be found [here](#).

Future Dynamic Response Consultation

NESO plan to consult in the summer on Real Time Dynamic Response, which will give the control room the ability to instruct Dynamic Response in real time. The detailed service design can be found here: [download](#)

The team would love to discuss this change with market before consultation, if you have any feedback or comments let us know!

Upcoming publications

Future of Response Services

We will be publishing a request for feedback in the coming weeks. On some proposed changes to the Response Service suit.

These will include a compliant, accessible replacement for Mandatory Frequency Response (MFR) as well as aligning the technical requirements of the Dynamic Regulation service (e.g. 1 second response time, performance monitoring bands and grace period arrangements) with the other Dynamic Response Services.

Locational Procurement Service Design

In the next few weeks NESO will publish the proposed Service Design for the Locational Procurement of Dynamic Response and Reserve.

We welcome feedback and comments on the content shared in this document and encourage you to get in touch if you would like to discuss with the team.

30 minute DX Procurement

30-minute procurement of Dynamic Response

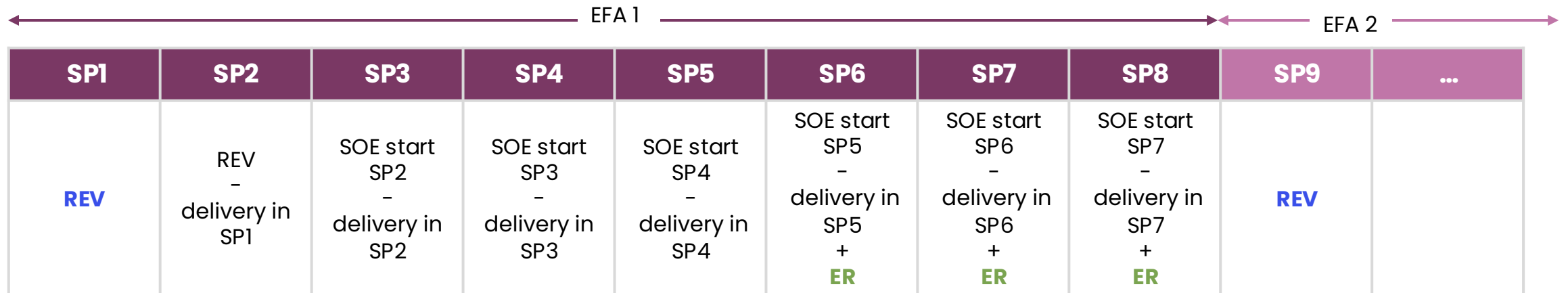
In March 2026 we introduced some of our thinking on procuring the Dynamic Response Services (DX).

We are now considering the impacts on State of Energy (SOE) monitoring, Performance Monitoring and Tiered Penalties.

Please note that the following slides are intended as outlines rather than in-depth service design of the options under consideration. Details are subject to change, and NESO would welcome any feedback.



Current SOE Management



$$\text{REV} = \frac{15 \text{ (DC) or } 30 \text{ (DM) or } 60 \text{ (DR)}}{60} \times \text{Contracted Volume}$$

ER: usually this is the energy Delivery in SP_{n-4}

Option 1: Independent Settlement Periods

Providers enter each SP with a predetermined volume, REV. This is the only requirement for every SP. The REV formula would be modified to account for the change in delivery period.

For this proposal, the k-factor would be independent for every SP.

SP1	SP2	SP3	SP4	SP5	SP6	...	SP30	SP31	...
REV	REV	REV	REV	REV	REV		REV	REV	

Change in volume/service/direction

Change in volume/service/direction

$$\text{REV} = \frac{15 \text{ or } 30 \text{ or } 60}{60} \times \text{Contracted Volume}$$

The REV calculation would change.

Option 2: Indefinite Contiguous Periods

This option is designed to allow any number of continuous contracted periods. Each direction is treated independently and the minimum SOE for the start of a settlement periods is generalized so an uncontracted duration does not impact calculations.

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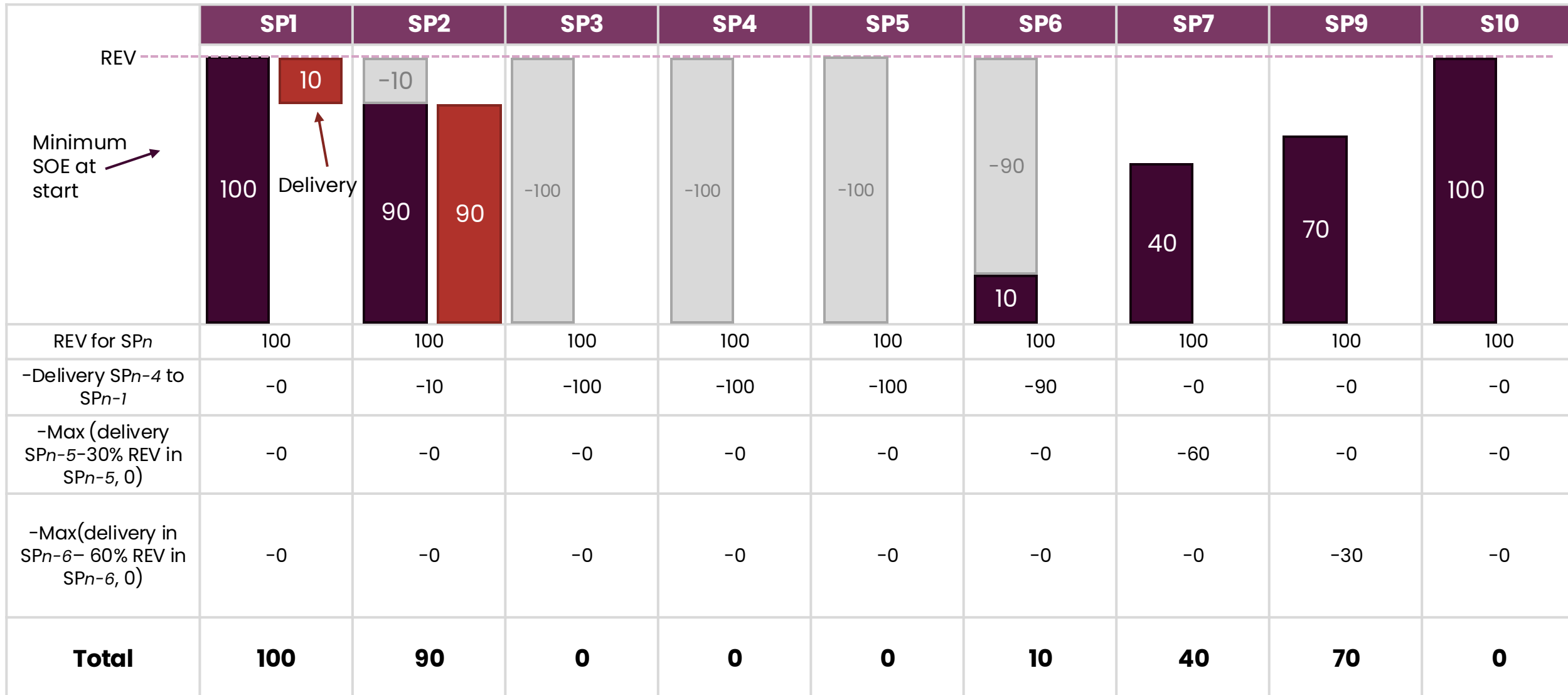
MSOE at the start of $SP_n =$

REV for $SP_n -$ Delivery in SP_{n-4} through $SP_{n-1} -$

$\max(\text{delivery in } SP_{n-5} - 30\% \text{ of REV in } SP_{n-5}, 0) - \max(\text{delivery in } SP_{n-6} - 60\% \text{ of REV in } SP_{n-6}, 0)$

$$\text{REV} = \frac{15 \text{ or } 30 \text{ or } 60}{60} \times \text{Contracted Volume}$$

Option 2: Worked Example 1



Option 3: SOE Management blocks

The current rules for SOE are generalized and may be applied for contracts with the same volumes in the same direction with the requirement resetting after, for example, 8SPs.

The SOE and performance monitoring for blocks will be linked – similar to the current arrangements for EFA blocks. Blocks will be independent for each direction (high and low). Blocks will be a maximum of 8 SPs with a REV requirement resetting for the 1st SP of the block and energy recovery periods like the current ones in place for SPs 5–8.

SPs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
DCH	1	1	1	1	1	1	1	1	1	1	1	3	3	3	0	0
DMH	1	2	2	2	2	2	2	2	2	2	2	0	0	0	0	0
DRH	1	1	2	1	1	1	1	1	1	1	1	0	0	0	0	0
DCL	1	1	1	1	1	1	1	1	1	0	0	3	3	3	0	0
DML	2	2	2	2	2	2	2	2	2	0	0	0	0	0	0	0
DRL	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0

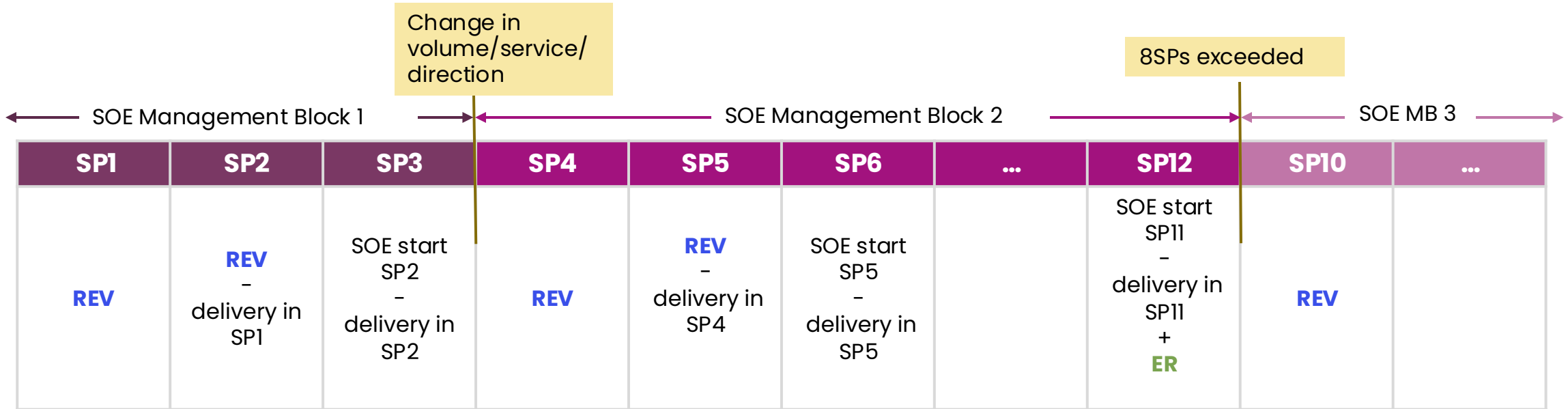
Block changes due to change in volume for one of the services

Block changes as 8SPs of the same volumes have been exceeded

Block changes due to change in volume for the services

Block changes as 8SPs of the same volumes have been exceeded

Option 3 continued

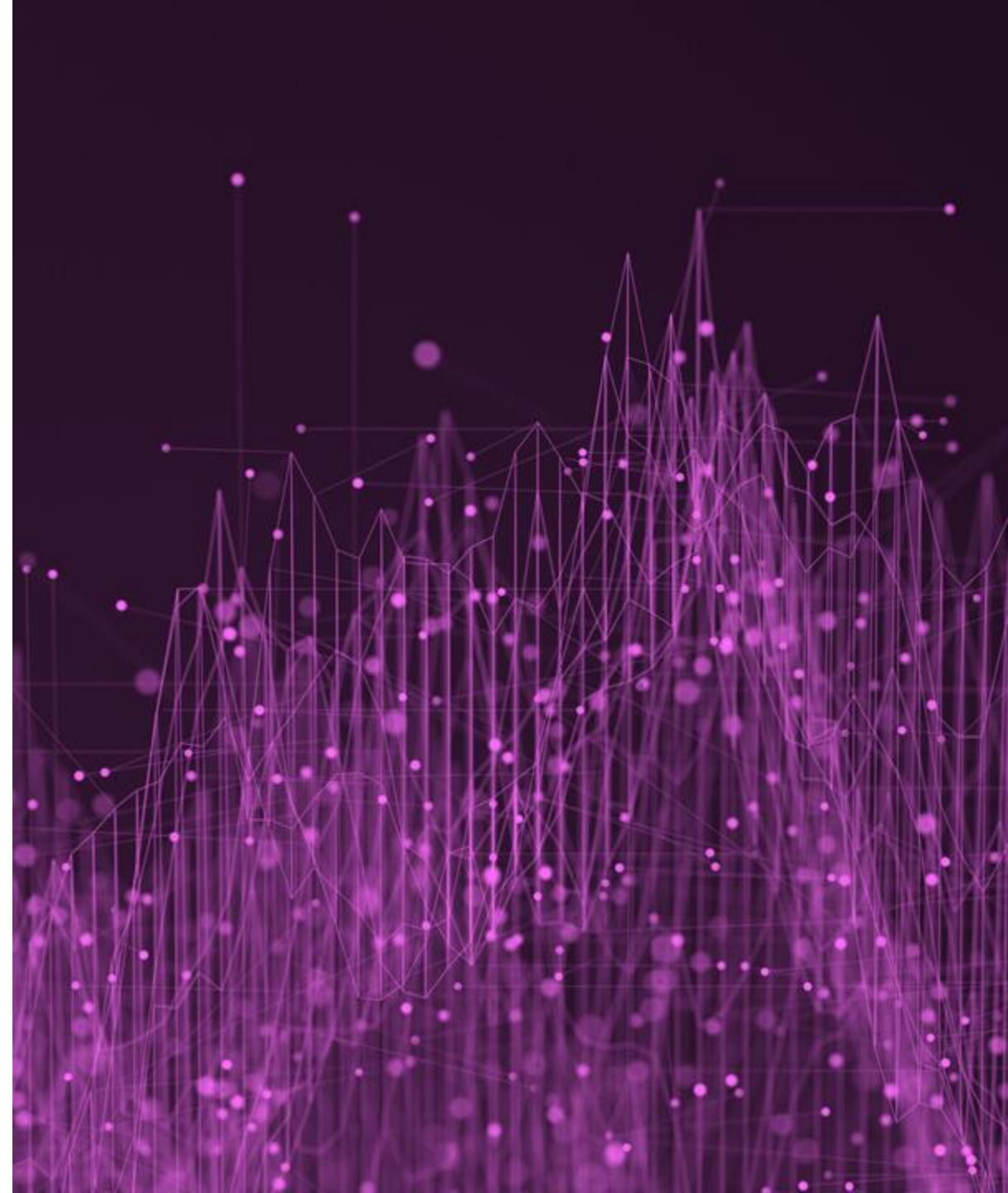


$$REV = \frac{15 \text{ or } 30 \text{ or } 60}{60} \times \text{Contracted Volume}$$

ER: usually this is the energy Delivery in SP_{n-4}

Other considerations

- Pending approval from Ofgem on tiered penalties, they would need to be updated with a change to 30-min procurement as the tiers assume EFA block contracts.
- Performance monitoring currently aggregates the performance across all Settlement Periods in an EFA block.



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Q&A

If you would like a 121 to discuss this content with the team please reach out to laura.burdis@neso.energy Or fill out the following form [Feedback on 30 minute DX SOE Options – Fill out form](#)

