

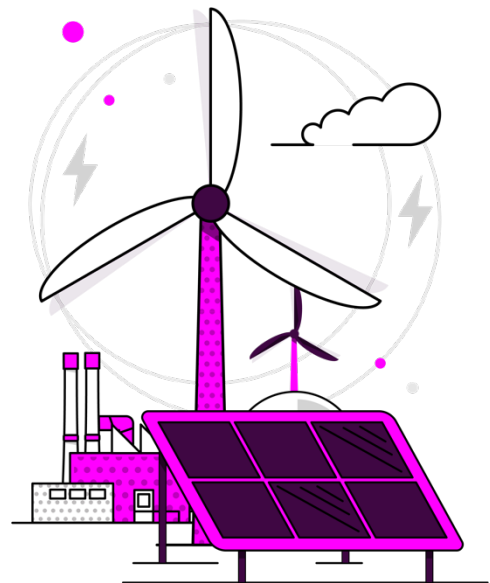
May 2026

Cost Monitoring Framework (CMF) Summary



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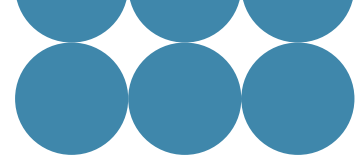
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Cost Monitoring Framework Summary (CMF)

2025-26 Summary





Cost Monitoring Framework (2025–26 Summary)

Overview

Following our Business Plan 2 (BP2) submission, in March 2023 Ofgem outlined the requirement for a Cost Monitoring Framework (CMF), and this remains in place for our BP3 investments. The purpose of the CMF is to monitor the delivery and value for money of our IT investments and our exit from the Transitional Services Agreement with National Grid plc.

The RIIO-2 incentives scheme is the framework Ofgem uses to assess our performance against our BP3 business plan. Separately, the CMF reports against our BP3 DD&T Investments and the DD&T Portfolio. The CMF is not used directly to assess our performance, but it may be used as evidence as part of our 'Value for Money' assessment.

As per the BP3 NESO PAGD, we are required to continue providing quarterly reports directly to Ofgem as part of the CMF throughout BP3. We feel it is also important to share updates with our external stakeholders and industry as part of the framework. Therefore, we will include a summary of the CMF update every six months alongside our incentives reporting. This appendix provides a summary of the last 12 months (Q1 to Q4 2025/26) of the CMF across our DD&T investment portfolio and includes:

- **Delivery performance** – covering main achievements during the last six months.
- **Value Statement** – outlines the core purpose, guiding principles, and intended impact of the project.
- **Cost performance** – a comparison of Business Plan submission vs Latest Forecast Valuing profiles.



High-Level Portfolio Summary (FY2026)

Across FY26, we have delivered a substantial and coherent programme of digital, data and technology outcomes in line with our RIIO-2 Business Plan commitments. Evidence drawn demonstrates sustained delivery momentum and clear translation of Business Plan 3 commitments into operational capability.

Delivery throughout the year has been focused on strengthening system operations, enabling market reform, enhancing forecasting and planning capability, and establishing the data, security and governance foundations necessary to support safe, transparent and auditable delivery. These outcomes have been achieved while maintaining effective financial control and remaining within the approved RIIO-2 funding envelope.

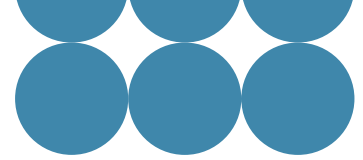
Material progress has been delivered across system operations, markets and network-related investments, improving both control room resilience and market functionality. We have progressively delivered and stabilised releases of the Network Control Management System, incorporating baseline security controls, improved deployment pipelines and enhanced integration with dependent environments. These changes have reduced operational risk and increased readiness for future system evolution.

In parallel, we delivered the full scope of Quick Reserve and Dynamic Response capability across both Balancing Mechanism and Non-Balancing Mechanism services through the Single Markets Platform and the Ancillary Services Reform programme. This delivery has enabled new forms of market participation, strengthened frequency management and provided system operators with enhanced tools to manage real-time conditions. As part of the wider balancing and platform modernisation programme, IBN has been delivered, improving dispatch coordination, resilience and cross-system integration.

The STAR platform has continued to mature, with delivery of enhancements supporting the settlement of Quick Reserve and Balancing Reserve services, alongside associated revenue and billing changes. Primacy Phase 1 has been delivered in line with Market Facilitator licence obligations, supported by structured engagement with Distribution Network Operators. Delivery against Contracts for Difference and EMR roadmaps has continued in accordance with agreed plans, supporting platform scalability and regulatory requirements.

Significant progress has also been achieved across forecasting, planning, resilience and decision-support investments. Forecasting enhancements have been delivered, including integration between forecasting systems and the Data Access Platform, decommissioning of legacy components and targeted model improvements that support improved operational outcomes and consumer benefit. Regional and Strategic Energy Planning capability has been strengthened through the delivery of CP30 tooling, RESP and tRESP data platforms and associated analytics, enabling more robust planning and stakeholder engagement.

Resilience capability has been enhanced through the delivery of initiatives that support our ability to comply with the upcoming Electricity System Restoration Standard (ESRS). Restoration Decision Support tooling and network modelling solutions remain key to future



resilience. These activities have been rebaselined in line with underlying dependent technology platforms being delivered elsewhere in the NESO DD&T portfolio.

FY26 has also seen a step change in data and analytics capability and governance maturity. We completed the full migration of the Data Access Platform to its Azure tenancy, materially reducing reliance on legacy National Grid infrastructure and increasing operational independence. Large-scale ingestion and onboarding of prioritised datasets have improved accessibility for internal and external users, while the delivery of Phase 1 and Phase 2 of the Strategic Data Catalogue has introduced stronger data quality monitoring, authoritative source identification and structured open data assessments.

Data standards have increasingly been embedded within delivery frameworks and piloted through DevSecOps arrangements, alongside improvements to analytics tooling and Open Data services. Independent assurance activity has confirmed alignment with recognised data governance and management best practice frameworks, providing additional confidence in the robustness and sustainability of NESO’s data arrangements.

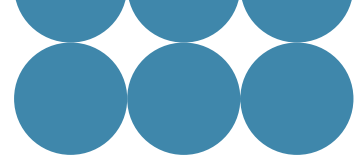
Delivery across security, risk and regulatory compliance has strengthened NESO’s security posture over the reporting period. The NIS Annual Report has been completed and submitted, alongside continued implementation of the Technology Risk Management framework. The Cyber Security Operations Centre has been established and onboarded, enhancing monitoring, incident management and vendor security assurance. Enhanced Profile actions, physical security separation activities and critical site control improvements have been completed, including all actions identified as planned for FY26 Q4.

Alongside delivery of individual investments, NESO has embedded durable improvements in governance, architecture and delivery maturity. The Architecture and Technology Governance model has been implemented and iteratively enhanced, improving transparency, auditability and decision traceability across the portfolio. Agile delivery improvements, including Agile Process and Agile IQ, have completed their transformation lifecycle and transitioned into business-as-usual operation, supporting sustained delivery capability beyond FY26. Dependency management and portfolio-level RAID oversight have been strengthened, alongside increased automation of CMF reporting inputs.

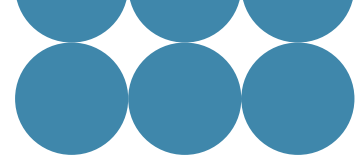
The table below shows the current position. It shows our BP3 submission figures for FY25 and FY26, and the same years are shown for the approved values through our whole life sanctioning process in “Approved BP3 Spend”.

Please note that the Figures supplied in the CMF annex are in 18/19 Prices as per the CMF Submissions.

Latest DD&T role spend	£m	FY25	FY26	Total
BP3 Submission		£113.5M	£159.6m	£273.1m
Approved BP3 Spend (Latest Sanction Value)		£115.5m	£124.5m	£240.0m
Rationale	In BP3, NESO DD&T reported an underspend against the approved baseline, primarily reflecting timing-related delivery changes and cost recognition			



	<p>rather than scope reduction. Across investments, this included the deferment of mobilisation (e.g. 740 - Joint Operations Centre, 760 - Data Enablement - DAP Usage and Data Quality), delayed supplier mobilisation and specialist resourcing (e.g. enterprise platforms and operational technology), and delivery changes aligned to external market, policy, and operational readiness dependencies (e.g. EMR, CfD, and ENCC Asset Health).</p>
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Investment Summaries

Investment summaries are organised in line with programme delivery groupings.

110 Network Control	
Delivery and spend update	<p>General</p> <p>During FY26, the Network Control investment delivered the core NCMS platform capability through multiple releases, including reintegration of critical iEMS customisations, completion of functional and nonfunctional testing, database and display conversions, and delivery of operational readiness activities. Shadow Control Room capability, enhanced real-time modelling tools, and improved situational awareness functionality were delivered, and network control cutover readiness was achieved, with iEMS decommissioning treated as completed for reporting purposes. Collectively, these outcomes replace ageing legacy systems with a resilient, modern control platform, materially reducing operational and cyber risk while improving decision making confidence and control room effectiveness.</p> <p>Key Achievements</p> <ul style="list-style-type: none">• Delivered progressive NCMS capability from build through to technical readiness, completing reintegration of critical iEMS (Reliance) customisations and deploying multiple NCMS releases across NESO environments, establishing a credible and stable successor to legacy control systems.• Achieved functional and nonfunctional testing coverage across releases, embedding mature defect triage, performance assurance and security controls, materially reducing go live and operational risk.• Completed enterprise integration readiness, establishing connectivity between CNI and non-CNI environments and enabling live data flows for key systems (e.g. RMS, OLTA, PEF), supporting assured end to end testing.• Deployed GridConnect into NESO Azure and validated downstream integrations, improving data resilience, availability and real time operational insight for control room users.• Improved data preparation, database and display conversion tooling, providing a controlled, repeatable approach to cutover and reducing transition risk from legacy systems.• Initiated a build of enduring DevSecOps operating model, including defined process flows, operational governance and readiness activities to support sustainable live service and future change.• Progressed Shadow Control Room capability, enabling realistic operational testing, early operator feedback and increased confidence ahead of production cutover.



Spend	FY26 Period					
	BP3 Submission	£8.9m	Latest Sanction Value	£7.9m	Latest Forecasted Value	£8.3m
	FY22 to FY26 Period					
	BP3 Submission	£54.5m		Latest Forecast Value	£53.9m	

120 Interconnectors						
Delivery and spend update	<p>General</p> <p>The Interconnectors investment delivered extensive performance, resilience and usability improvements to IFLO, including automation of previously manual processes such as NTC and MPTC handling, enhanced operator visibility, strengthened STAR integration, and cyber related enhancements aligned to CAF recommendations. These outcomes significantly reduce operational risk, improve data quality and settlement confidence, and strengthen compliance with cross border regulatory obligations.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered a sustained programme of interconnector service improvements across IFLO and related systems, enhancing reliability and operational efficiency. Improved situational awareness and error handling, including enhanced notifications, validation and automation, reducing reliance on manual intervention by control room staff. Implemented performance and resilience enhancements, including improved file handling, clock change handling and interface stability. Progressed high availability architecture and system optimisation, reducing downtime and improving service continuity during outages and maintenance. Improved settlement and reporting integration, supporting more accurate and timely downstream settlement processes. 					
Spend	FY26 Period					
	BP3 Submission	£1.4m	Latest sanction Value	£1.3m	Forecast value	£1.7m
	FY22 to FY26 Period					



	BP3 Submission	£7.1m	Latest Forecast Value	£7.5m
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170 Frequency Visibility						
Delivery and spend update	<p>General The Frequency Visibility investment delivered improvements to the capture, analysis and visualisation of system frequency data, enhancing NESO's ability to observe and assess real-time and post event frequency behaviour. This capability provides improved transparency of system performance and underpins both operational decision making and post event analysis.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Delivered improvements to frequency data acquisition and processing, enhancing realtime operational insight. • Progressed bandwidth and datalink upgrades, supporting more reliable and granular frequency information flows. • Reduced dependency on manual interventions and legacy tooling, improving resilience and operational confidence. • Enabled better forecasting and analysis of frequency events, supporting improved system operation and assurance 					
	Spend	FY26 Period				
BP3 Submission		£2.5m	Latest Sanction Value	£0.1m	Forecast Value	£0.7m
FY22 to FY26 Period						
BP3 Submission		£5.8m		Latest Forecast Value	£4.0m	



210 Balancing Asset Health

Delivery and spend update	<p>General The Balancing Asset Health investment delivered multiple balancing system releases, including BM Release 7 and Interim Release 8, addressing critical production defects, system performance bottlenecks and usability issues. Enhancements to profiling, alarms, dispatch tools and reporting were delivered, stabilising the control room environment. These improvements materially reduce the risk of system degradation during high stress periods and improve the reliability of core balancing operations.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered multiple BM Interim and core releases, addressing priority asset health, performance and stability issues within Balancing Mechanism systems. Implemented targeted performance improvements, including optimisation of profiling and bulk dispatch processes, reducing control room workload and improving system responsiveness. Resolved critical production defects and usability issues, lowering operational risk and improving the reliability of balancing operations. Enhanced monitoring and diagnostic capability, supporting earlier identification of asset related issues and reducing the likelihood of service degradation. Maintained delivery within sanctioned funding, demonstrating effective financial control while addressing resilience and stability risks. 					
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Spend	FY26 Period					
	BP3 Submission	£4.1m	Latest Sanction Value	£4.6m	Latest Forecast Value	£4.2m
	FY22 to FY26 Period					
	BP3 Submission	£26.9m		Latest Forecast Value	£27.5m	

480 Ancillary Services Dispatch

Delivery and spend update	General					
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	<p>Ancillary Services Dispatch delivered the migration of ancillary instruction capability onto OBP and completed integration with downstream settlements platforms.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered progressive migration of ancillary service instructions onto the Open Balancing Platform. Enabled control room dispatch of a broader range of ancillary services. Improved dispatch tooling and usability, enhancing situational awareness. Advanced testing and integration with settlements and downstream systems. Strengthened platform performance and resilience. 					
Spend	FY26 Period					
	BP3 Submission	£0.7m	Latest Sanction Value	£0.9m	Latest Forecast Value	£0.8m
	FY22 to FY26 Period					
	BP3 Submission	£7.9m		Latest Sanction Value	£7.9m	

670 Real Time Predictions						
Delivery and spend update	<p>Purpose and Value Delivered RealTime Prediction delivered predictive analytics capability integrated with operational and planning systems.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Progressed real-time prediction capability, supporting improved operational insight. Enhanced data ingestion and processing pipelines. Integrated real-time prediction with other operational platforms. Improved platform stability and performance. 					
Spend	FY26 Period					
	BP3 Submission	£2.9m	Latest Sanction Value	£2.3m	Latest Forecast Value	£2.8m



	FY22 to FY26 Period			
	BP3 Submission	£5.3m	Latest Forecast Value	£5.8m

260 Forecasting Enhancements						
Delivery and spend update	<p>General Forecasting Enhancements delivered improved short- and medium-term forecasting capability integrated with data and operational platforms. The investment improves forecast accuracy and visibility of system conditions, supporting more efficient balancing decisions and reducing operational uncertainty.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Progressed enhanced forecasting capability, improving the accuracy and robustness of operational and planning forecasts used across NESO. • Integrated forecasting models with shared data platforms, supporting better consistency of inputs across balancing, planning and scenario modelling. • Improved data availability and model readiness, reducing reliance on manual data preparation and improving timeliness of forecasts. • Advanced technical readiness for future forecasting enhancements, aligning delivery with wider platform and integration milestones. 					
	Spend	FY26 Period				
BP3 Submission		£2.2m	Latest Sanction Value	£4.7m	Latest Forecast Value	£5.3m
FY22 to FY26 Period						
BP3 Submission		£13.4m		Latest Forecast Value	£13.4m	

220 Data and Analytics Platform



Delivery and spend update	<p>General DAP delivered a fully operational NESO controlled analytics platform, completing infrastructure migration, largescale dataset ingestion, and integration with modelling tools such as Plexos. The Enterprise Data Catalogue was delivered, providing lineage, metadata and discoverability. This investment establishes a single, authoritative data foundation for NESO, improves auditability and data quality, reduces reliance on EUDA, and materially lowers assurance and regulatory reporting risk.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Successfully migrated core DAP infrastructure and analytics environments to NESO Azure, materially reducing operational and dependency risk following separation. • Ingested a large volume of priority operational and analytical datasets, enabling wider reuse across NESO programmes including FES, ASR, NOA and balancing services. • Delivered major enhancements to the Enterprise Data Catalogue, improving metadata management, lineage visibility and data discovery. • Enabled integration with advanced modelling tools (e.g. Plexos), supporting improved forecasting, system modelling and scenario analysis. • Implemented automated data quality and validation tooling, improving confidence in analytical outputs and reducing downstream rework and risk. 					
	Spend					
FY26 Period						
BP3 Submission	£8.7m	Latest Sanction Value	£4.8m	Latest Forecast Value	£3.6m	
FY22 to FY26 Period						
BP3 Submission	£33.2m		Latest Forecast Value	£28.0m		

510 Restoration & Restoration Decision Support Tool	
Delivery and spend update	<p>General This investment delivers our capability to manage emergency restart of the electricity network in the context of zero carbon operations. It includes resilient communications and a real-time decision support tool to provide restoration plans that meet Government standards.</p>



	<p>During FY26, we reduced investment scope by removing around £18m in spending on Telephony and Data Networking Services (OPTEL owned by NGET) and Distribution Restoration Zone Controllers (DRZCs), as DNOs will fund these directly. Funding was also adjusted to align with dependencies, particularly delivery of the Network Control Management System (NCMS) for hosting the Restoration Decision Support Tool (RDST) and DNO infrastructure provision for ICCP links.</p> <p>Certain investment allocations were redirected toward initiatives that enhance NESO’s capacity to comply with the upcoming Electricity System Restoration Standard (ESRS) during a partial or complete NPO. The following summarises these opportunities and associated achievements.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • The publication of a day-ahead forecast of demand by restoration region in line with Grid Code sections OC 1.7.1 and OC 1.7.2. • Executed a Proof of Concept (POC) to simulate various National Power Outage (NPO) scenarios and associated restoration activities throughout Great Britain (GB) utilising DigSilent PowerFactory simulation software. • Replaced and enhanced an existing 'Grey IT' solution that generates a DESNZ proforma and provides an indicative rota plan and implementation plan with activation schedule reports. • Developed a portal-based application to enable Gas (NGT) and Electricity (ENCC) users to collaborate during a National Gas Shortage event. • Aligned the RDST solution's architecture with the NCMS GridOS platform and finalized the integration approach for legacy applications. • A contract was established with GE Vernova (NCMS Supplier) to provide an RDST solution that meets the requirements of the business. • Mobilised and developed first phase of RDST product development. • Coordinating with DNOs to implement ICCP links for near real-time meter and alarm data from Restoration Service Provider assets connected to the distribution network. • Requirements were collected and development began on a Data Portal designed to facilitate data acquisition and sharing with external stakeholders, ensuring preparedness for an NPO event. 					
Spend	FY26 Period					
	BP3 Submission	£3.8m	Latest Sanction Value	£3.8m	Latest Forecast Value	£1.7m
	FY22 to FY26 Period					



	BP3 Submission	£5.4m	Latest Forecast Value	£3.3m
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130 Inertia Monitoring						
Delivery and spend update	<p>General</p> <p>The Inertia Monitoring investment delivered enhanced capability to monitor and analyse system inertia, improving our visibility of system stability under changing generation conditions. The investment supports a more robust understanding of system resilience, particularly in periods of low inertia driven by increased renewable penetration. The value delivered lies in strengthening operational awareness and supporting more informed operational and planning decisions, reducing the risk associated with system frequency instability.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Progressed regional inertia monitoring capability, improving our visibility of system stability and frequency behaviour. • Advanced migration of inertia analytics tooling into NESO Azure, improving resilience, scalability and data ownership. • Integrated inertia data with planning and operational workflows, strengthening real-time and forward looking decision making. • Improved data quality and confidence, supporting compliance and more accurate system response assessment. 					
	Spend	FY26 Period				
BP3 Submission		£0.5m	Latest Sanction Value	£0.5m	Latest Forecast Value	£0.1m
FY22 to FY26 Period						
BP3 Submission		£1.4m		Latest Forecast Value	£1.1m	

250 Digital Engagement Platform	
Delivery and spend update	<p>General</p> <p>The Digital Engagement Platform successfully delivered all BP3 milestones in FY26, alongside several additional enhancements and capabilities, while remaining within the agreed budget. These deliverables have strengthened our digital channels, improving website functionality, data access and</p>



	<p>customer communications, and enabling seamless integration with the Data Analytics Platform to expand access to Open Data. New tools were also introduced to support interactive content bolt-ons, including visualisations for the new Geospatial capability and interactive explainers. The redesign programme has completed comprehensive discovery and stakeholder engagement, achieving alignment and concluding the Design phase in support of our vision to enhance the customer experience and improve navigation for end users. These deliverables and the following key achievements have contributed towards NESO Performance objectives including Separation activities, Customer Trust, and reducing brand and reputational risk.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Completed NESO Day2 migration planning and delivery activities, enabling consistent NESO branding and stable operation of external digital services without service disruption. Delivered a new Search tool including AI to provide enhanced navigation for End Users on the NESO.energy website. Delivered Open Data enablement and DEP-DAP integration, supporting improved access to datasets. Advanced NESO.energy redesign and discovery, laying foundations for a single, integrated customer and stakeholder interface. Implemented enhanced digital engagement tooling, improving customer communication, polling & insights and campaign capability in line with BP3 objectives. Delivered a new tool to support NESO to empower employees to share company-approved content on social media, amplifying brand reach, engagement, and thought leadership. 					
Spend	FY26 Period					
	BP3 Submission	£3.5m	Latest Sanction Value	£2.6m	Latest Forecast Value	£1.9m
	FY22 to FY26 Period					
	BP3 Submission	£11.9m		Latest Forecast Value	£13.8m	

190 Workforce Change Management Tools	
Delivery and spend update	<p>General</p> <p>This investment delivered digitised workforce, training and compliance tools, including the CRAIG digitisation capability. These outcomes improve</p>



	<p>organisational readiness during transformation, reduce dependency on informal knowledge sharing, and strengthen compliance with training and competence requirements.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered improvements to workforce planning and training enablement, supporting our evolving operational and control room skill requirements. Progressed enhancement of rota and workforce management capabilities, improving transparency, planning efficiency and compliance. Reduced manual and fragmented workforce processes, improving auditability and operational assurance of training and competency management. 					
Spend	FY26 Period					
	BP3 Submission	£0.3m	Latest Sanction Value	£0.3m	Latest Forecast Value	£0.3m
	FY22 to FY26 Period					
	BP3 Submission	£0.8m		Latest Forecast Value	£0.8m	

200 Future Training Simulator and Tools	
Delivery and spend update	<p>General</p> <p>The Future Training Simulator investment was deliberately paused and reprofiled until enabling dependencies were delivered, ensuring spend was aligned to deliverable value. For reporting purposes, this approach is treated as achieved, avoiding premature delivery and maximising long-term benefit once NCMS and OBP capabilities are fully embedded.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Completed strategic review of training simulator scope, aligning delivery with NCMS and OBP dependencies to ensure future solutions reflect real control room operations. Prevented inefficient investment by pausing development where core enablers were not yet available, demonstrating strong value for money and delivery discipline. Maintained readiness for future mobilisation, ensuring training capability can be accelerated once upstream platforms are live.



Spend	FY26 Period					
	BP3 Submission	£0.0m	Latest Sanction Value	£0.0m	Latest Forecast Value	£0.04m
	FY22 to FY26 Period					
	BP3 Submission	£0.5m		Latest Forecast Value	£0.7m	

240 ENCC Asset Health	
Delivery and spend update	<p>General Investment 240 – ENCC Asset Health is about keeping ENCC (Energy National Control Centre) assets in good working order, making small improvements to their health, performance, and reliability. This ensures they stay useful while bigger changes are made elsewhere in the DD&T portfolio. In FY26, the investment carried out specific repairs and upgrades to reduce risks, help keep the control room running smoothly, lower the chance of outages, and keep the system strong. The approach has been practical, focusing on keeping operations safe, reliable, and uninterrupted during wider transformation work.</p> <p>Key improvements</p> <ul style="list-style-type: none"> • Sustained control-room asset stability throughout FY26, delivering planned ENCC asset health activities that maintained system availability and avoided disruption to real-time operations during a period of significant portfolio change. • Delivery of multiple incremental asset health and remediation releases across FY26, addressing known defects, performance bottlenecks, and emerging operational risks, reducing the likelihood of asset-related failures in live control room environments. • Targeted performance and usability improvements implemented to improve engineer experience and day-to-day operability, supporting faster response times and more reliable interaction with ENCC systems. • Lifecycle risk reduction achieved through proactive maintenance, fixes, and upgrades, ensuring legacy and supporting systems remained supported and secure while longer-term replacement or transformation solutions progress elsewhere in BP3. • FY26 completion of planned ENCC asset health actions, embedding remaining fixes and stability improvements identified earlier in the year and closing out in-year commitments



	<ul style="list-style-type: none"> Improved baseline resilience entering FY27, with ENCC operational assets in a stronger, more stable condition to support upcoming control room, platform, and market changes without introducing avoidable asset-health-driven risk. 					
Spend	FY26 Period					
	BP3 Submission	£2.3m	Latest Sanction Value	£2.3m	Latest Forecast Value	£2.8m
	FY22 to FY26 Period					
	BP3 Submission	£12.5m		Latest Forecast Value	£13.0m	

450 Future Innovation Productionisation						
Delivery and spend update	<p>General Future Innovation Productionisation delivered clear pathways to transition innovation into live operational platforms, ensuring operational value from innovation investment.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered structured pathways to transition innovation outputs into live operational environments. Improved governance and repeatability for innovation handover. Reduced technical and operational risk associated with introducing new capabilities into live services. 					
Spend	FY26 Period					
	BP3 Submission	£2.6m	Latest Sanction Value	£0.9m	Latest Forecast Value	£2.1m
	FY22 to FY26 Period					
	BP3 Submission	£2.6m		Latest Forecast Value	£2.1m	

140 ENCC Operator Console



Delivery and spend update	<p>General</p> <p>The ENCC Operator Console investment delivered the core operator console infrastructure across training and live environments, enabling the visualisation and operation of multiple control room systems through a single, consolidated interface. Desktop, monitoring and peripheral environments were established, supporting consistent operational use. This investment delivers clear value through improved usability, reduced operator cognitive load, and greater consistency in control room operations, forming a strong foundation for future platform consolidation and resilience improvements.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Successfully progressed procurement and solution selection, completing moderation and governance gates and establishing a clear, authorised delivery route for the Operator Console. • Delivered core Operator Console infrastructure into training and test environments (CTU), enabling early validation of control room workflows and supporting user readiness activities. • Advanced integration planning with existing control room applications and the Data Analytics Platform (DAP), laying the foundation for a unified, singlepaneofglass operational experience. • Defined and validated desktop, workspace and hardware standards, supporting resilient, consistent operator working practices across ENCC locations. • Identified, managed and mitigated key dependencies and network prerequisites, reducing downstream delivery risk ahead of wider rollout. 							
	Spend							
FY26 Period								
BP3 Submission		£2.0m	Latest Sanction Value		£2.1m	Latest Forecast Value		£1.6m
FY22 to FY26 Period								
BP3 Submission		£3.6m			Latest Forecast Value		£3.4m	

320 EMR and CfD improvements	
Delivery and spend update	<p>General</p> <p>Investment 320 – EMR helps run and manage Electricity Market Reform schemes, such as Contracts for Difference (CfD). In FY26, the focus was on following regulations, keeping settlements and operations running</p>



smoothly, and making systems and processes stronger. The main priorities were business continuity, compliance, and being ready for future changes, with planned improvements completed in Q4 to boost operational stability.

Key Achievements

- Sustained compliant delivery of EMR market obligations in FY26 ensuring continuity of scheme operations, settlements, and reporting in line with Ofgem requirements, with no material delivery failures recorded across the year.
- Incremental system and process improvements delivered through FY26 to strengthen data quality, reporting accuracy, and operational robustness supporting EMR and CfD activities, reducing reliance on manual intervention and operational workarounds.
- Delivery remained financially controlled and aligned to sanctioned values, with costs tracked consistently against Business Plan assumptions and no significant cost risk escalations
- Improved readiness for industry and policy-driven change, through targeted enhancements to EMR-related capabilities and planning activities completed during FY26 Q2–Q3, supporting our ability to respond to evolving market and regulatory requirements
- In FY26 we looked to deliver reinforced operational resilience, ensuring EMR systems and processes remain stable during wider DD&T portfolio change (including adjacent platform, data, and settlement activities), avoiding disruption to EMR scheme operation
- completion of planned EMR enhancements, finalising in-year delivery commitments and embedding improvements into steady-state operation
- Enhanced assurance and control posture by end-FY26, with EMR delivery positioned to enter FY27 with stronger baseline processes, clearer operational controls, and improved confidence in ongoing compliance and reporting

Spend	FY26 Period					
	BP3 Submission	£3.6m	Latest Sanction Value	£4.1m	Latest Forecast Value	£4.0m
	FY22 to FY26 Period					
	BP3 Submission	£29.0m		Latest Forecast Value	£29.5m	



400 Single Markets Platform						
Delivery and spend update	<p>General The Single Markets Platform investment delivered stabilisation and enhancement of market system capabilities, including integration with downstream settlement and operational platforms.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered core platform enhancements supporting market operations, improving system robustness and readiness for NESO market responsibilities. Improved integration with upstream and downstream systems, reducing manual intervention and improving end-to-end process reliability. Advanced transition away from legacy components, reducing operational risk and technical debt. Supported market assurance and regulatory readiness, ensuring NESO can meet ongoing market operation obligations. 					
	Spend	FY26 Period				
BP3 Submission		£4.2m	Latest Sanction Value	£6.7m	Latest Forecast Value	£4.0m
FY22 to FY26 Period						
BP3 Submission		£30.0m		Latest Forecast Value	£29.7	

420 Auction Capability	
Delivery and spend update	<p>General Auction Capability delivered and stabilised regulated auction platform functionality integrated with wider market systems, providing reliable support for auction processes.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Progressed delivery of enhanced auction capability, supporting NESO's role in administering and operating energy related auctions. Improved system readiness and process integrity, reducing operational risk during auction execution. Strengthened integration with settlement and downstream processes, improving end-to-end assurance and data accuracy.



	<ul style="list-style-type: none"> Laid foundations for scalable future auction services, supporting anticipated growth and complexity. 					
Spend	FY26 Period					
	BP3 Submission	£1.3m	Latest Sanction Value	£1.4m	Latest Forecast Value	£1.2m
	FY22 to FY26 Period					
	BP3 Submission	£7.3m		Latest Forecast Value	£7.2m	

610 Settlements, Charging and Billing						
Delivery and spend update	<p>General The STAR investment migrated and delivered all Revenue and Settlement services from ASB and CAB legacy systems onto STAR, and also provided the necessary enhancements and stabilisation to those services and capabilities, in alignment with operational and market changes.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Migrated and transformed settlement and revenue services from legacy systems onto the strategic STAR platform Delivered integration and enhancement activities to improve settlements and revenue calculation performance and accuracy. Improved quality of data flows between operational, market and settlement systems. Enhanced resilience and auditability of settlement and revenue processes. Reduced operational risk during settlement and billing cycles. 					
	Spend					
	FY26 Period					
	BP3 Submission	£9.9m	Latest Sanction Value	£5.8m	Latest Forecast Value	£6.6m
	FY22 to FY26 Period					



	BP3 Submission	£44.1m	Latest Forecast Value	£42.4m
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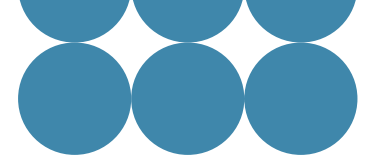
330 Digitalised Code Management						
Delivery and spend update	<p>General Digitalised Code Management delivered tooling to digitise and improve governance of industry codes. This enhances transparency, auditability and control, reducing manual handling and process risk.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> The Programme was closed out In prior to FY26 					
	Spend	FY26 Period				
BP3 Submission		£0.0m	Latest Sanction Value	£0.0m	Latest Forecast Value	£0.1m
FY22 to FY26 Period						
BP3 Submission		£2.8m		Latest Forecast Value	£2.8m	

280 GB and RiE Regulations	
Delivery and spend update	<p>General This investment delivered regulatory driven system changes and successfully closed regulatory dependencies. As a result, NESO maintains ongoing compliance with evolving GB and RiE regulatory requirements, reducing the risk of noncompliance.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered regulatory change enablement, ensuring NESO systems and processes remain compliant with evolving GB and RiE regulatory requirements. Implemented updates to support new and amended regulatory obligations, reducing compliance risk and reliance on manual workarounds. Improved traceability and auditability of regulatory processes, supporting stronger assurance narratives to Ofgem.



	<ul style="list-style-type: none"> Enabled smoother integration of regulatory changes into operational systems, improving delivery efficiency and control. 					
Spend	FY26 Period					
	BP3 Submission	£3.5m	Latest Sanction Value	£8.7m	Latest Forecast Value	£4.8m
	FY22 to FY26 Period					
	BP3 Submission	£7.7m		Latest Forecast Value	£10.6m	

340 RDP Implementation and Extension	
Delivery and spend update	<p>General RDP Implementation and Extension improves the Resource Data Provision (RDP) capability by making data sharing between NESO, network companies, and market participants more secure and reliable. This investment helps us meet regulations, coordinate operations, and make better decisions using accurate data. In FY26, the focus has been on strengthening the main RDP service, adding new features, and making improvements to lower risks and reduce manual work. Changes are carefully managed to keep business running smoothly while updates are made, so RDP stays a reliable part of NESO's data systems.</p> <p>Key achievements</p> <ul style="list-style-type: none"> Continued stable operation of the RDP service throughout FY26, ensuring uninterrupted provision of resource and network data critical to NESO operations and regulatory obligations. Incremental implementation and extension activities delivered across FY26, enhancing functionality and usability while maintaining service reliability and avoiding disruption to dependent processes. Strengthened data quality and reliability, through targeted fixes and refinements that reduced errors, improved consistency, and supported greater confidence in downstream operational and analytical use of RDP data. Reduced operational risk and manual intervention, by embedding more robust processes and controls into the RDP service, supporting more efficient handling of data exchanges with external parties.



	<ul style="list-style-type: none"> • Delivery progressed within sanctioned financial limits, with FY26 spend remaining controlled and aligned to the Business Plan, and no material affordability or cost risks escalated during the year. • FY26 achieved completion of planned RDP extensions and improvements, closing out into steady-state operation. • Improved platform readiness for FY27, with a more resilient and mature RDP capability in place to support future regulatory change, increased data volumes, and closer integration with NESO's wider data and operational platforms 					
Spend	FY26 Period					
	BP3 Submission	£2.0m	Latest Sanction Value	£0.9m	Latest Forecast Value	£0.2m
	FY22 to FY26 Period					
	BP3 Submission	£12.5m		Latest Forecast Value	£10.7m	

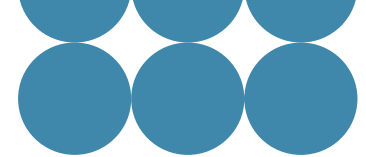
350 Planning and outage data exchange	
Delivery and spend update	<p>General PODE delivered enhanced capability for exchanging planning and outage data, improving coordination and visibility across NESO and external stakeholders. This reduces the risk of data inconsistency and operational delay.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Delivered sustained improvements to planning and outage data exchange, improving the timeliness and reliability of critical data flows. • Enhanced automation and validation of exchanged data, reducing manual intervention and data quality risk. • Improved interoperability with external parties, strengthening coordination and operational confidence. • Supported more resilient planning and outage management, reducing operational uncertainty and enabling better network decision making.
Spend	FY26 Period



	BP3 Submission	£2.0m	Latest Sanction Value	£1.8m	Latest Forecast Value	£1.8m
FY22 to FY26 Period						
	BP3 Submission	£8.1m		Latest Forecast Value	£7.9m	

360 Offline network modelling						
Delivery and spend update	<p>General The Offline Network Modelling investment delivered enhanced modelling capability integrated with DAP and planning tools. This improves NESO's ability to undertake robust network analysis and scenario testing, reducing reliance on fragmented or manual modelling approaches.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered stable offline network modelling capability, supporting system analysis, planning and scenario testing without impacting real-time operations. Improved model accuracy and performance, enabling more confident assessment of network conditions and contingencies. Integrated modelling outputs with shared analytics platforms, enabling reuse across planning, forecasting and operational teams. Reduced technical debt and improved resilience through platform and tooling improvements. 					
	Spend					
FY26 Period						
	BP3 Submission	£2.6m	Latest Sanction Value	£2.0m	Latest Forecast Value	£1.7m
FY22 to FY26 Period						
	BP3 Submission	£7.7m		Latest Forecast Value	£7.6m	

380 Connections platform



Delivery and spend update	<p>General</p> <p>The Connections investment delivered critical digital and data capabilities for the once in a generation change in the Connections process, accelerating connections and progression to Clean Power targets. To achieve this there was a complete review and realignment of delivery platforms, including the creation of a customer portal, data platform and enhancements to numerous processes. This enhances visibility, coordination and stakeholder experience across connections activity.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Digitised key elements of the connections lifecycle by introducing seamless evidence submission, enhanced Customer Relationship Management (CRM) for customer queries and complaints, and readiness-based pipeline prioritisation aligned to Clean Power 2030 (CP30). Automated formation of the pipeline for the once in a generation change, reforming the queue pipeline from over 700GW to 283 GW of generation and storage and 99GW of demand being unlocked. Introduced geospatial pipeline visualisation and automated red-line boundary validation alongside data enrichment to improve the quality, credibility, and assurance of pipeline outcomes. Implemented cross-industry collaboration tools to support secure data sharing with Transmission Owners (TOs) and Distribution Network Operators (DNOs), enabling better alignment with industry processes. Established a scalable digital foundation to measure end-to-end performance across the connections-to-energisation lifecycle. Improved data handling and process efficiency, reducing manual effort and improving response times. Reduced operational risk through improved system stability and data quality, supporting scalable future growth in connections activity. 					
	Spend	FY26 Period				
BP3 Submission		£7.4m	Latest Sanction Value	£7.26m	Latest Forecast Value	£7.5m
FY22 to FY26 Period						
BP3 Submission		£10.3m		Latest Forecast Value	£15.2m	



390 'Electricity Network Development Tools' (ENDT)						
Delivery and spend update	<p>General This investment delivered enhancements to digital and analytical tools supporting electricity network development and assessment activities, improving visibility of network options and evidence for investment decision making.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Delivered sustained enhancements to development network tools, supporting improved network option assessment and planning. Improved accessibility and usability of analytical outputs, enabling more efficient decision making across planning teams. Integrated tools with shared data platforms, reducing duplication and improving consistency of assumptions and inputs. Reduced technical debt within legacy planning tools, improving long-term maintainability. 					
	Spend	FY26 Period				
BP3 Submission		£1.4m	Latest Sanction Value	£1.3m	Latest Forecast Value	£1.0m
FY22 to FY26 Period						
BP3 Submission		£7.9m		Latest Forecast Value	£7.5m	

650 Accelerating Whole Electricity Flexibility	
Delivery and spend update	<p>General The DER / CER Visibility and Access investment delivered improved visibility of distributed and community energy resources, enabling more accurate modelling of system conditions.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> Advanced visibility of distributed and customer energy resources. Improved data ingestion, validation and analytics. Reduced reliance on fragmented external data sources. Strengthened foundations for future DER market and operational use cases.
	<p>Spend</p> <p>FY26 Period</p>



	BP3 Submission	£0.0m	Latest Sanction Value	£2.0m	Latest Forecast Value	£0.14 m
FY22 to FY26 Period						
	BP3 Submission	£0.1m		Latest Forecast Value	£0.11m	

690 Geospatial and Locational Intelligence						
Delivery and spend update	<p>General This investment delivered geospatial data capabilities integrated with core analytics platforms, enhancing locational insight.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Advanced delivery of a centralised geospatial capability. • Improved data quality, standardisation and reuse of spatial datasets. • Enabled integration of geospatial data into analytical workflows. • Reduced dependency on fragmented legacy GIS tooling. 					
Spend	FY26 Period					
	BP3 Submission	£4.6m	Latest Sanction Value	£3.5m	Latest Forecast Value	£2.2m
	FY22 to FY26 Period					
	BP3 Submission	£0		Latest Forecast Value	£2.2m	

700 Strategic Energy Planning						
Delivery and spend update	<p>General Strategic Energy Planning delivered improved data and modelling foundations to support long-term system planning.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Delivered a stable and extensible digital planning capability. • Improve 610 data accessibility and analytical tooling. • Strengthened integration with shared data platforms. • Reduced reliance on bespoke and manual tools. 					



Spend	FY26 Period					
	BP3 Submission	£4.2m	Latest Sanction Value	£4.2m	Latest Forecast Value	£4.1m
	FY22 to FY26 Period					
	BP3 Submission	£0		Latest Forecast Value	£4.1m	

720 Network Services Procurement						
Delivery and spend update	<p>General The Network Services Procurement investment delivered improvements to the digital and operational capability supporting the procurement of network services.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Delivered improved tooling and processes to support procurement of network services. • Strengthened alignment between procurement, operational needs and planning inputs. • Improved transparency and auditability of procurement activities. • Enabled scalability for future network service procurement requirements. 					
Spend	FY26 Period					
	BP3 Submission	£1.1m	Latest Sanction Value	£1.2m	Latest Forecast Value	£0.8m
	FY22 to FY26 Period					
	BP3 Submission	£0		Latest Forecast Value	£0.8m	

820 Contracts for Difference	
Delivery and spend update	<p>General Supports the continued operation, stability, and assurance of the CfD service, which is a critical market mechanism for enabling low-carbon</p>



	<p>generation. During BP3, the investment focused on maintaining reliable business-as-usual service delivery, ensuring systems and processes remained fit for purpose, compliant, and resilient, while delivering targeted improvements to support operational efficiency, policy-led activity, and regulatory assurance.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Maintained uninterrupted delivery of core CfD operational services, including contract administration, settlements, and payment processes. • Ensured system stability and service resilience through ongoing management of incidents, defects, and technical maintenance activity. • Supported CfD allocation and auction-related activity by ensuring systems and processes were ready to meet policy-driven delivery requirements. • Delivered incremental system and process improvements to enhance robustness, reduce operational risk, and address known issues. • Met compliance, assurance, and audit requirements through maintained controls, documentation, and timely evidence provision. • Managed BP3 expenditure within agreed financial control frameworks, aligning costs to operational need and demonstrating value for money 					
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Spend	FY26 Period					
	BP3 Submission	£1.5m	Latest Sanction Value	£1.5m	Latest Forecast Value	£1.6m
	FY22 to FY26 Period					
	BP3 Submission	£0			Latest Forecast Value	£1.6m

830 Data Sharing Infrastructure	
Delivery and spend update	<p>General The Data Sharing Infrastructure investment delivered secure mechanisms to enable governed data sharing internally and externally.</p> <p>Key Achievements</p> <ul style="list-style-type: none"> • Delivered foundational data sharing capability. • Improved data governance, access control and auditability. • Enabled reuse of shared datasets across multiple investments.



	• Provided a scalable platform for future data exchange use cases.					
Spend	FY26 Period					
	BP3 Submission	£4.6 m	Latest Sanction Value	£4.5m	Latest Forecast Value	£3.0m
	FY22 to FY26 Period					
	BP3 Submission	£0		Latest Forecast Value	£3.0m	

National Energy System Operator
Faraday House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

www.neso.energy