

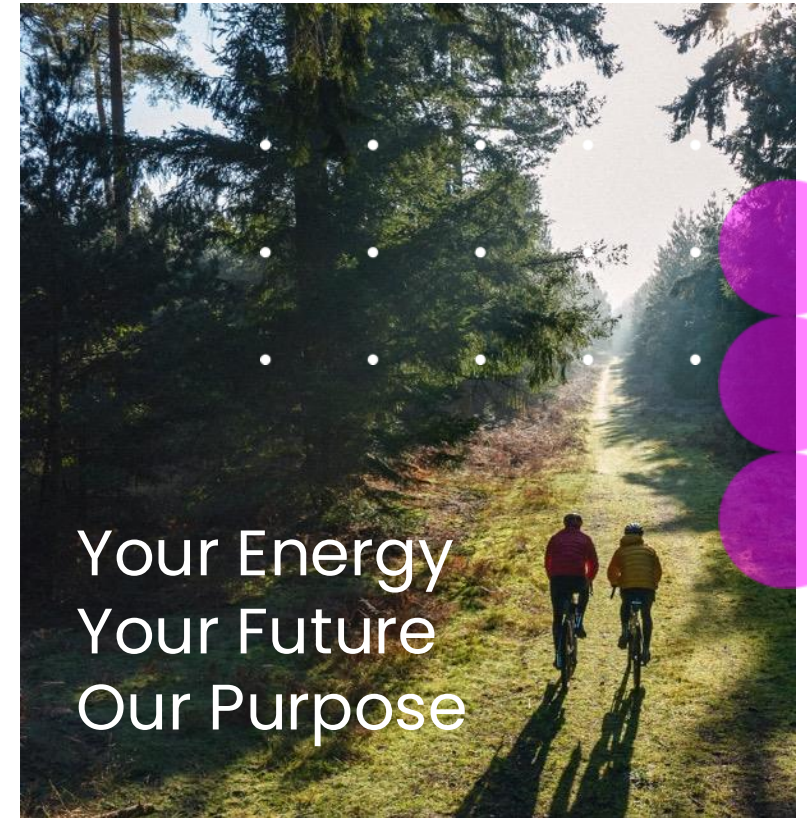
Public

NESO Markets, Balancing and Dispatch: A Summer Update

02 July 2026, Glasgow

Objectives of the Day

- Hear latest NESO updates
- Discuss how Electricity Markets are changing and the evolution of Balancing Systems, and how NESO is ensuring transparency in dispatch
- Meet and engage with each other on latest industry topics
- Ask and answer questions
- Collaborative discussion – get involved!



Agenda for the Day

Time	Agenda Item	Details
09:00 – 09:30	Registration (refreshments will be provided)	
09:30 – 09:35	Welcome	• Introductions & housekeeping • Plan for the day
09:35 – 10:00	Transforming Markets, Systems & Transparency	• Strategic updates from across NESO • Markets, Systems, and Dispatch Transparency progress update & value delivered to date • Future deliverables out to March 2028 (NESO 1)
10:00 – 11:00	A Day in the Life of a Control Room Engineer	Step inside the Control Room and gain a practical, end-to-end view of how the electricity system is operated in real time from scheduling through to dispatch.
11:00 – 11:20	Morning Break (refreshments will be provided) – Move to breakouts for 11:25 start	
11:25 – 12:15	Breakout 1	Attendees will rotate across the following 4 breakout sessions: • The Future of NESO Market Products & Services • What’s Next for Flexibility? • Open Balancing Platform in Action – What’s new & what’s the impact? • Dispatch Efficiency Beyond Energy
12:20 – 13:10	Breakout 2	See above
13:10 – 13:55	Lunch (provided) – Move to breakouts for 14:00 start	
14:00 – 14:50	Breakout 3	See above
14:55 – 15:45	Breakout 4	See above
15:45 – 16:05	Afternoon Break (refreshments will be provided)	
16:05 – 16:25	Q&A Panel	Ask your questions to our SMEs
16:25 – 16:30	Closing Remarks	Future engagement opportunities & staying connected

Breakout Groups

Blue Lanyard – Group 1

Breakout 1: The Future of NESO Market Products & Services.

Room: Clyde

Time: 11:25 – 12:15

Breakout 2: What's Next for Flexibility?

Room: Clyde

Time: 12:20 – 13:10

Breakout 3: Open Balancing Platform in Action – What's new & what's the impact?

Room: Riverside Suite

Time: 14:00 – 14:50

Breakout 4: Dispatch Efficiency Beyond Energy

Room: Riverside Suite

Time: 14:55 – 15:45

Yellow Lanyard – Group 2

Breakout 1: Open Balancing Platform in Action – What's new & what's the impact?

Room: Riverside Suite

Time: 11:25 – 12:15

Breakout 2: Dispatch Efficiency Beyond Energy

Room: Riverside Suite

Time: 12:20 – 13:10

Breakout 3: The Future of NESO Market Products & Services.

Room: Clyde

Time: 14:00 – 14:50

Breakout 4: What's Next for Flexibility?

Room: Clyde

Time: 14:55 – 15:45

Transforming Markets, Systems & Transparency

Rebecca Beresford, Director of Markets

Brendan Lyons, Balancing Programme Director

Clear Revenue Opportunities through Balancing and Ancillary Market Design

SLOW RESERVE GO-LIVE ON OBP

Slow Reserve launched in April 2026, replacing Short Term Operating Reserve.



What does it do? Designed to restore energy imbalances after faults and bring frequency back within limits within 15 minutes.

Benefits:

The Slow Reserve service design:

- Delivers improved accessibility for smaller, flexible units e.g., $\geq 1\text{MW}$.
- Introduces non-zero baseline enabling units to have greater flexibility in their operations with the potential to seek other commercial opportunities.
- Drives improved system security during recovery periods.



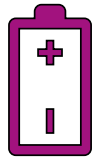
Deliver a Secure, Resilient & Operable Energy System



Pave the Way to Sustainable Energy

GRID CODE GC0166 IMPLEMENTATION

Significant progress to implement GC0166 on Control Room balancing systems.



What does it do? GC0166

Introduces new parameters for limited duration assets:

- Maximum Delivery Offer (MDO)
- Maximum Delivery Bid (MDB)
- Future State of Energy (FSOE)

These parameters are aimed at informing NESO about available MWh volume for BOA instructions (inside the BM window) & scheduling plans (outside BM window).

Benefits:

New parameters introduced respond to customer feedback by supporting more effective utilisation of limited duration assets in dispatch & scheduling timescales.



Drive Consumer Value



Pave the Way to Sustainable Energy

DEMAND FLEXIBILITY SERVICE

Further enhancements introduced to the Demand Flexibility Service (DFS).



What does it do? DFS enables homes and businesses to participate in the electricity market and be rewarded for shifting demand. Enhancements to the service in April 2026 introduced:

- Bi-directional flexibility
- Zonal procurement
- Lower entry threshold of 0.1MW

Benefits:

DFS service enhancements:

- Deliver improved accessibility for smaller, flexible assets.
- Align procurement to local need to help manage network constraints.



Drive Consumer Value

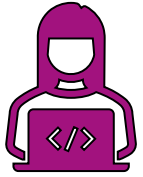


Pave the Way to Sustainable Energy

Fair Access through Transparency & Transformation of our Systems & Processes

SYSTEM IMPROVEMENTS

Non-BM services migrated to the Open Balancing Platform (OBP) & Slow Reserve enabled on OBP in April 2026.



What does it do? Brings BM & Non-BM units together onto a single platform; enabled retirement of Ancillary Services Dispatch Platform (ASDP).

Benefits:

BM & Non-BM units on a single platform:

- Supports improved economic dispatch and security of supply through faster, more reliable service execution.
- Creates an integrated, and future-ready balancing system, paving the way for future activity to co-optimize BM & Non-BM units.



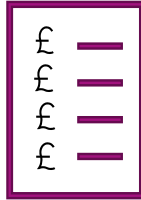
Drive Consumer Value



Deliver a Secure, Resilient & Operable Energy System

BULK DISPATCH ENHANCEMENTS

Implementation of service aware price stacks and optimisation enhancements.



What does it do? The Open Balancing Platform (OBP) now supports multi-dispatch from a price stack for all BM & Non-BM units, by service type. Further improvements made to OBP optimisation tools to support effective Control Room use.

Benefits:

Functionality / improvements support:

- Faster, more consistent operational decisions across BM & Non-BM units, through improved usability of tools & better situational awareness.
- Improved security of supply and economic dispatch.



Drive Consumer Value



Deliver a Secure, Resilient & Operable Energy System

INCREASED TRANSPARENCY

Published new data sets & dashboards related to energy skips including daily in-merit & skipped volume; "Cost of Energy Skips" report published.



What does it do? Provides improved visibility of skip rates by asset type, with data and visualisations of trends, alongside volume analysis and details of the costs.

Benefits:

The new data sets & dashboards:

- Drive activity to improve dispatch efficiency across different asset types.
- Provide transparency of Control Room dispatch actions, enabling Industry to analyse skip rate data and understand their position relative to others.



Drive Consumer Value



Lead as a Trusted Expert

A Day in the Life of a Control Room Engineer

Alex Carter, Operational Energy Manager

A Day in the Life of A control Room Engineer

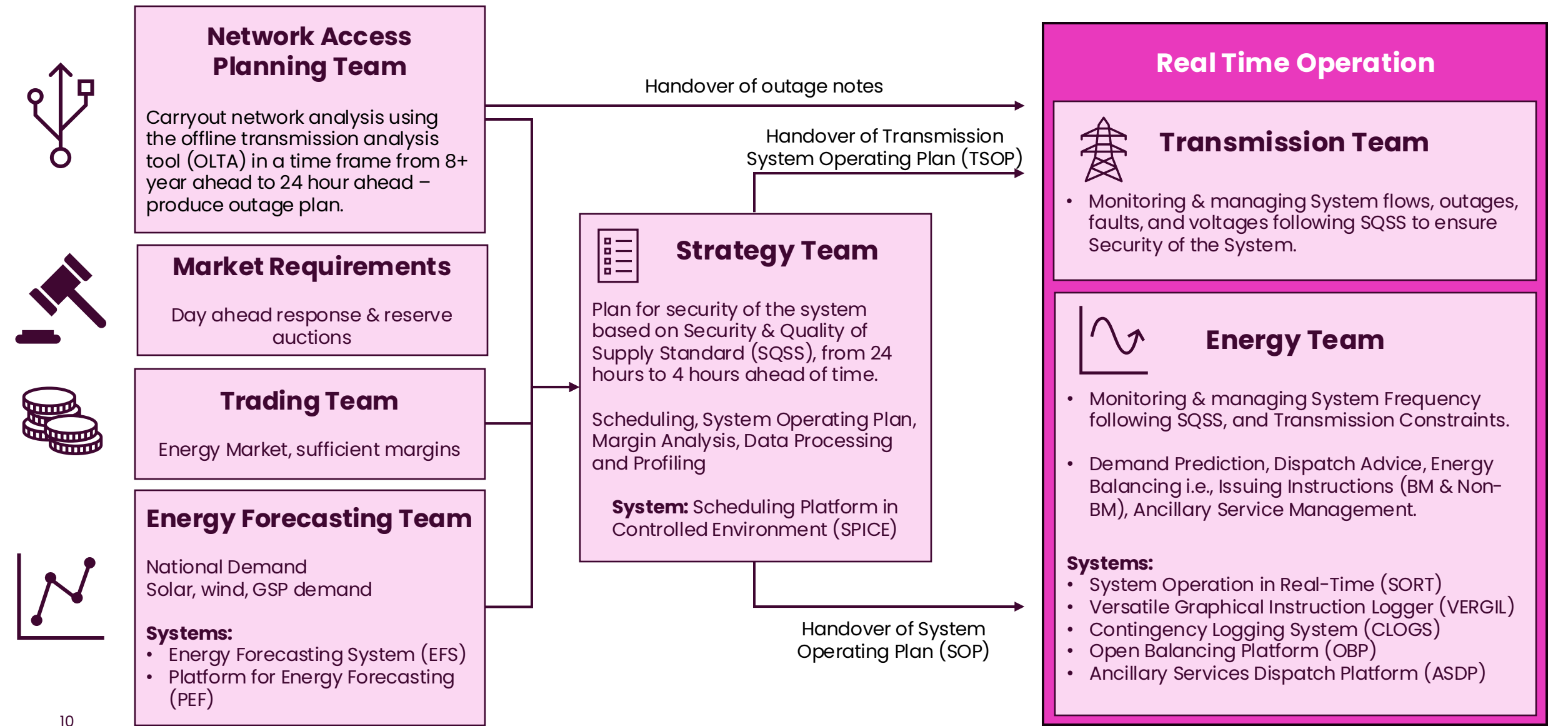
Presenter: Alex Carter

Room: Main room – Tower Suite

Ever wondered what a day in the life of a Control Room Engineer is really like?

In this session, you'll gain insight into who does what in the Control Room and how decisions flow from longer-term scheduling through to real-time dispatch. We'll explore the system conditions that drive operational choices such as constraints, margins, and service interactions and, through a real-world scenario, bring to life the complexities of managing the GB system.

Managing the System



Control Room Teams

Power System Manager (PSM)

Strategy Team

- Operational Strategy Manager (OSM)
- Control Technical Assistant (CTA)
- Assistant National Scheduling Engineer (aNSE)
- National Scheduling Engineer (NSE)
- Transmission Analysis Engineer-Scotland (TAEs)
- Transmission Analysis Engineer-E&W (TAEe&w)
- Day Ahead Congestion Forecasting Engineer (DACF)

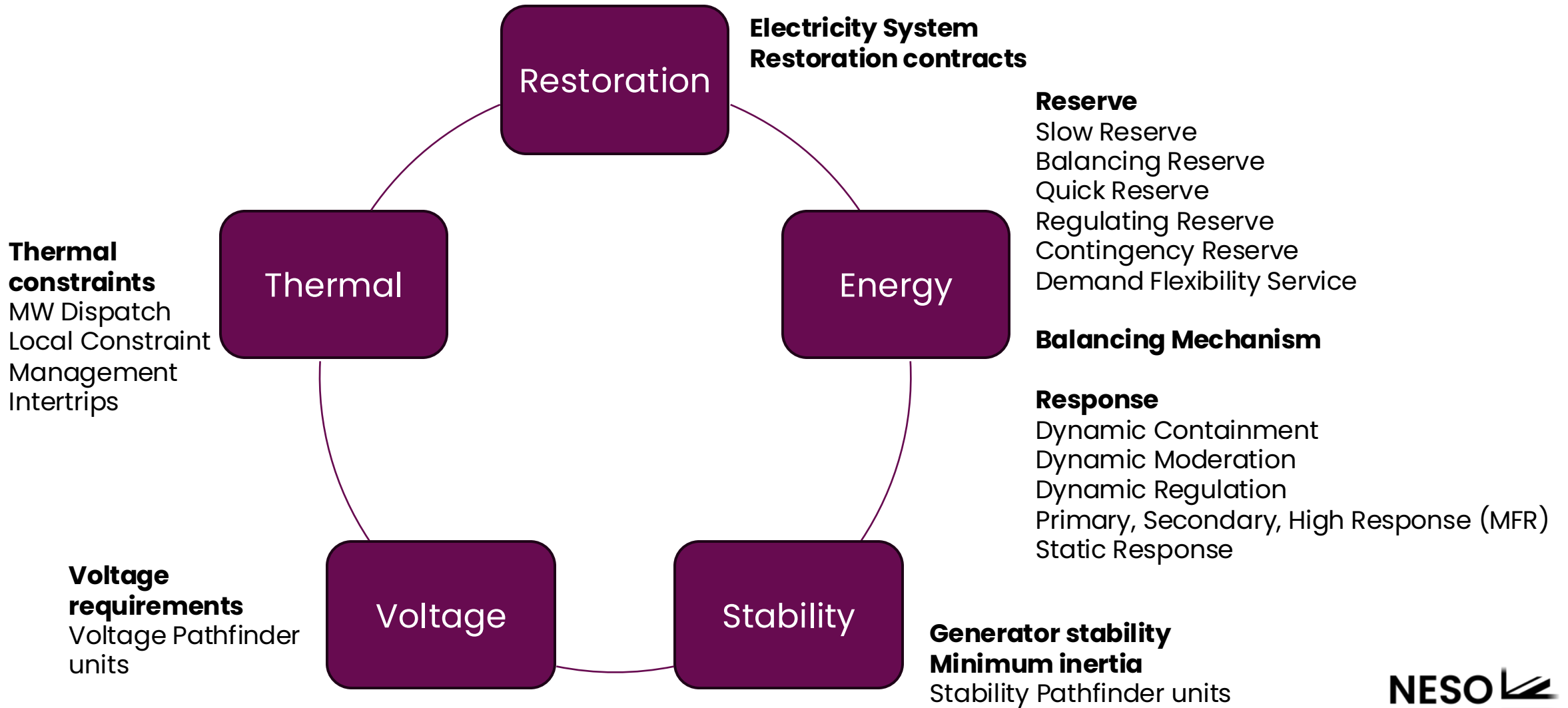
Energy Team

- Operational Energy Manager (OEM)
- National Balancing Engineer (NBE)
- Assistant National Balancing Engineer South (aNBE)
- Assistant National Balancing Engineer North (aNBE)
- Assistant National Balancing Engineer – Battery (additional post added)

Transmission Team

- Transmission Security Manager (TSM)
- Transmission Security Engineer-Scotland North(TSESc-n)
- Transmission Security Engineer-Scotland South(TSESc-s)
- Assistant Transmission Security Engineer – E&W North (aTSEe&wn)
- Transmission Security Engineer- E&W North(TSEe&wn)
- Transmission Security Engineer- E&W South(TSEe&ws)
- Assistant Transmission Security Engineer – E&W South (aTSEe&ws)

System Security



Open Balancing Platform in Action – What's New & What's the impact?

Chi Ho Lam, OBP Lead Product Manager

Bernie Dolan, OBP Principal Product Manager

Aly Sohail Punjwani, Balancing Platform Delivery Lead

Public

Breakout: Open Balancing Platform in Action – What's new & what's the impact?

Presenter: Chi Ho Lam, Bernie Dolan, Neil Morgan Aly Sohail Punjwani

Room: Main room – Tower Suite

Ever wondered how your units are seen and dispatched in real time – and what's changed with the transition to the Open Balancing Platform (OBP) – our enduring balancing system?

This interactive demo session gives a practical view of how units are managed and dispatched in OBP.

You'll see new functionality in action, including deliverables to combine BM and Non-BM units into one system, market service-aware price stacking, and use of market services including Slow Reserve, and MW dispatch.

The session will include the opportunity to ask questions and share feedback.

What's Next For Flexibility?

Becky Hart, Head of Flexibility Market Development

Pravnick Heer, Balancing Services Market Development Manager

Public

Breakout: What's Next for Flexibility?

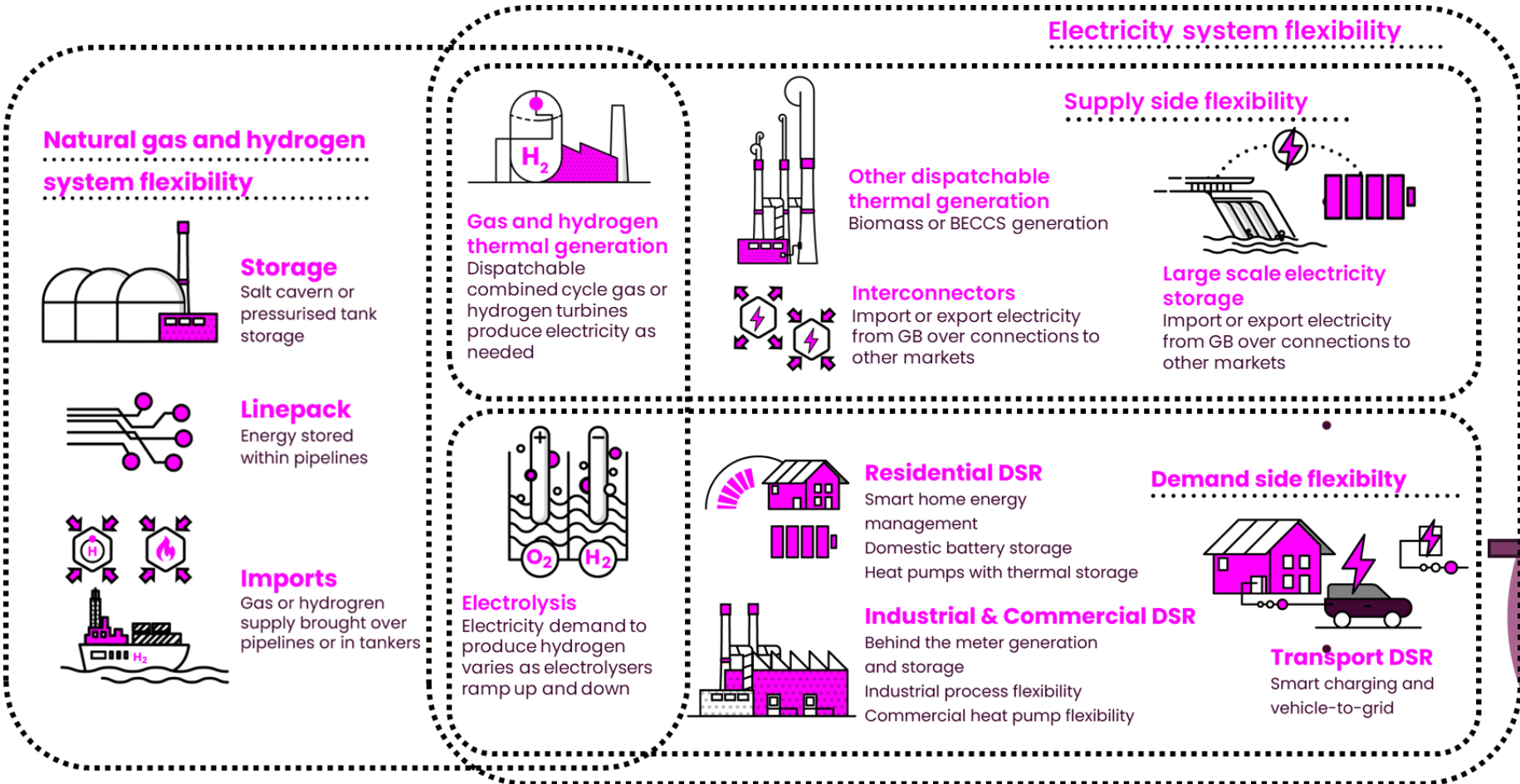
Presenter: Becky Hart and Pravnick Heer

Room: Meeting Room 5/6

A session exploring NESO's vision for demand-side flexibility—covering how DSF works today and how key programmes such as EDSF and Routes to Market are coming together to remove barriers, improve market access, and enable flexibility to deliver whole-system value—alongside an overview of the key activities enhancing Control Room capability to maximise these benefits in the coming years.

The session will also include an interactive element to gather feedback on routes to market barriers, helping ensure the programme remains aligned and shaped by industry input.

Flexibility can mean Different things to Different People



Demand Side Flexibility incorporates assets and technologies that can **increase, decrease, shift demand** for, and **store** electricity. It can generally be considered as behind the meter.

NESO's Vision for Demand Side Flexibility

Enable flexibility resources to operate seamlessly between markets, driven by effective, market signals, delivering whole electricity system value to consumers and supporting the transition to net zero



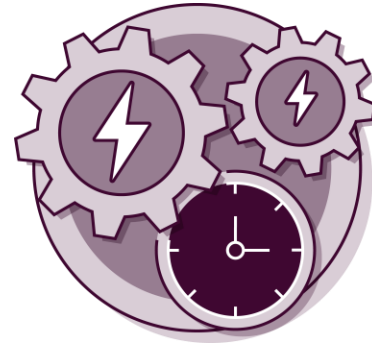
Enabling Participation in NESO Markets



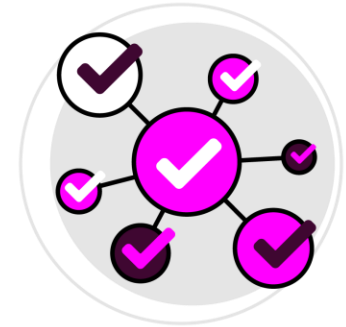
**Programme
Governance**



**Targets, tracking &
utilisation**



**Enablement
activities**



**Innovation &
collaboration**

What does good look like for DSF in our Markets in Future?

The EDSF programmes aims to ensure that our markets develop so that demand-side flexibility can fulfil its potential as a key part of operating a decarbonised and decentralised electricity system

Integrated & Coherent Market Design

- There's a greater need to evolve markets around system needs
- This includes within-day flexibility requirements and longer-duration flexibility

DSF Used to its full Potential

- DSF can be used to help with within-day flexibility, frequency as well as load shifting at times of peak
- It can also help manage transmission constraints

Flexibility Coordination

- Growth in DSF requires clear coordination with DNO markets
- Covering changes spanning onboarding through to revenue stacking

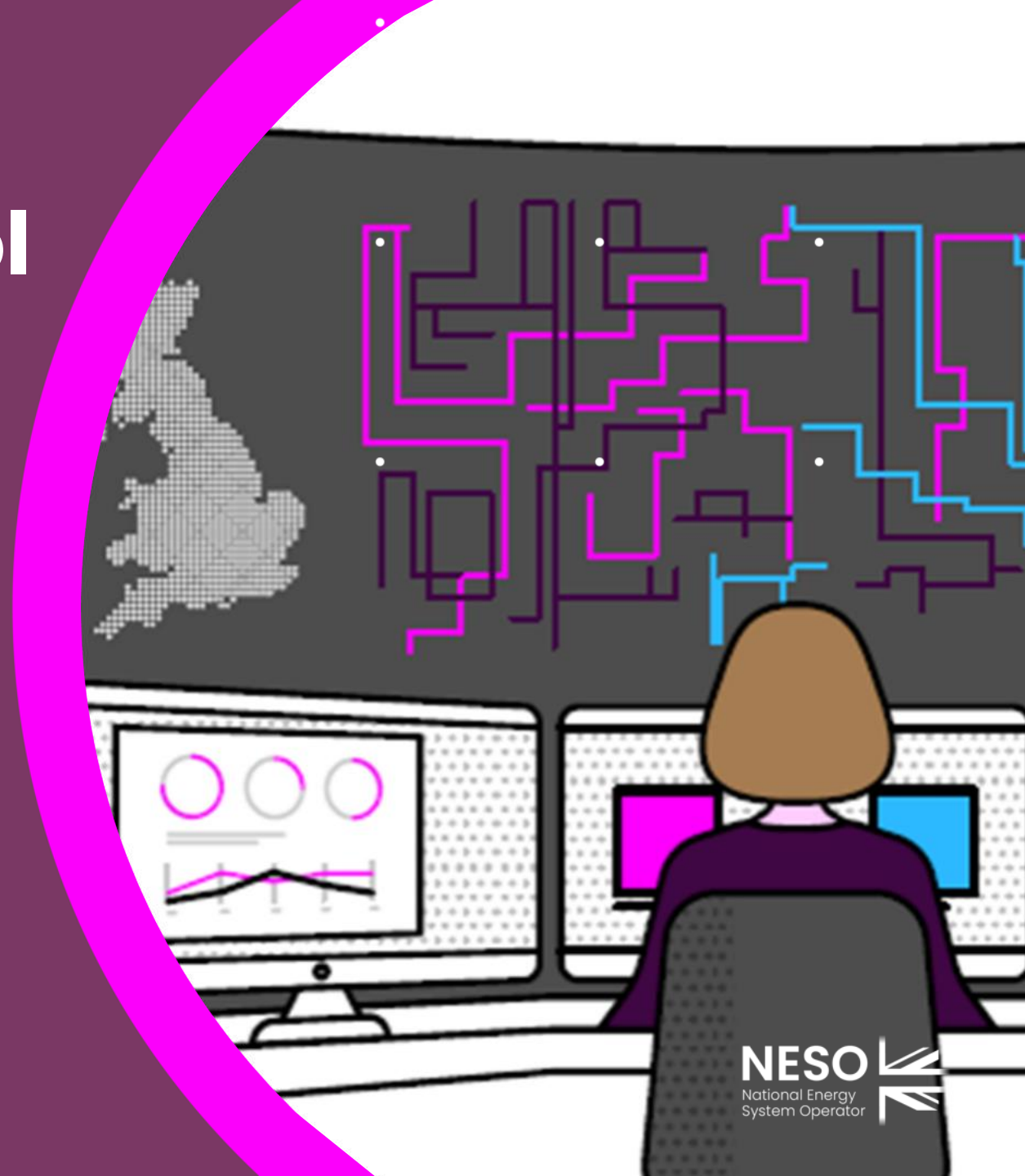
Whole-System Planning

- NESO's new remit covers energy system planning, including the need to get the right assets in the right places.

View from the Control Room

At the **Electricity National Control Centre (ENCC)**, a number of significant changes are underway to enable NESO to operate the power system of the future

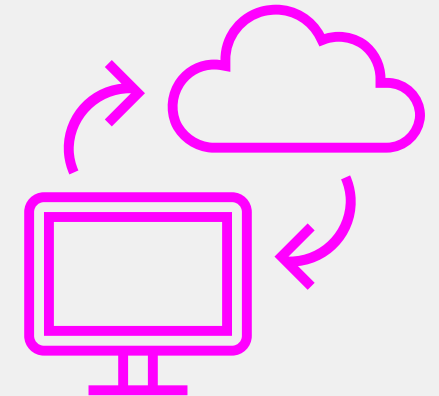
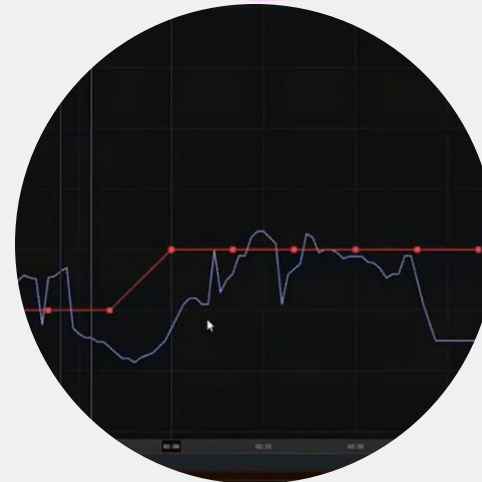
Many of these changes will **enable, maximise benefit & mitigate against risks** of increased demand side flexibility through changes to our **Systems, Data, Processes and People**



View from the Control Room

System changes in the short to medium term are focused on the **Open Balancing Platform** which is enabling the Control Room to make more efficient and flexible actions from an increasingly diversified pool of generation assets

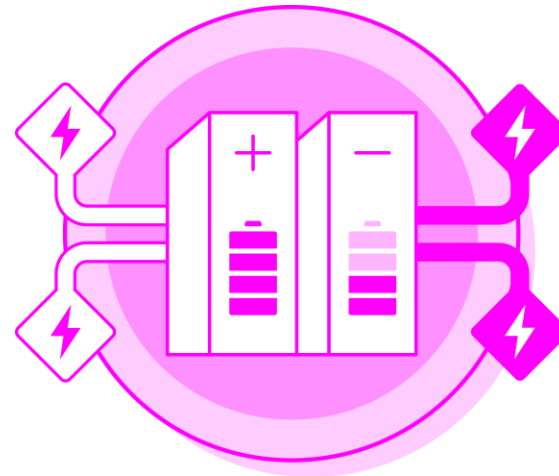
In the longer term, our innovation programme **Volta**, is exploring the use of cutting-edge technology and research to develop the future algorithms required to implement fully time-constrained economic dispatch. This will enable the Control Room to work quicker across the broader range of technologies available to them



View from the Control Room

A significant focus on **data** runs through a number of change programmes to ensure the ENCC has the visibility required to respond to, and make the most of, different types of flexibility

GC0166 – Establishing new data parameters to improve ENCC visibility & utilization of limited duration assets



New ENCC data roles – focused on targeted tactical improvements to improve efficiency, situational awareness and general ENCC data capability



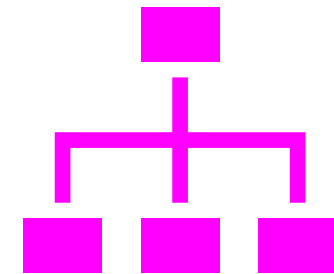
View from the Control Room

Transforming ENCC **people structures and processes** is another critical element as DSF depends not just on data and systems, but on how effectively people interpret, coordinate, and act on them in real time

Creation of new **market insight role** directly supporting ENCC scheduling & dispatch functions



Review of the whole **ENCC operating model** inc. roles, responsibilities, governance & inputs



Routes to Market Programme

This is a key pillar of the Enabling Demand-side Flexibility programme

It's also a key deliverable under the Clean Flexibility Roadmap.

We'd like your feedback on:

- A) Progress so far and
- B) Any new barriers to entry



Routes to Market Barrier Activities

Focus area

Onboarding

**Procurement &
Dispatch**

Settlement

Metering & Baselines

Why?

Removal of complexity and time-consuming onboarding processes

Removing uncertainty for Demand Side Flexibility Providers and improving operational efficiency

Collaborating for changes to ensure a level playing field and consistency

Reducing costs and complexity for DSF assets to meet operational standards

What are we doing?

Onboarding team, Single Market Platform improvements

Skip rates programme, Sub-MW & Non integer participation in NESO markets

Code modifications

Operational metering Phase 1 & 2, Assessing 30 min procurement windows

We'd like to know what you think

Please either raise your hand or submit your thoughts via slido on the following:

- Feedback on activities already in progress/completed within the Routes to Market programme
- What other barriers would you like added to the programme to enable more DSF participation in NESO markets?



Thanks for listening!

Your ongoing engagement and collaboration is vitally important to shape and realise NESO's DSF vision



If you would like to discuss or provide feedback on this presentation, including input into routes to market programme. Please reach out to the team at flexibility.strategy@neso.energy



You can find links to our latest Enabling Demand Side Flexibility [report](#) and Routes to Market quarterly update [here](#)



Power Response's Onboarding support for I&C customer interested in participating in our markets. Power.responsive@neso.energy



Scan or click the QR code or search **NESO Power Responsive**

The Future of NESO Market Products and Services

Cathy Fraser, Head of Market Requirements

Joseph Donoghue, Service Delivery Manager –
Frequency Response

Breakout: The future of NESO Market products & services

Presenter: Cathy Fraser and Joseph Donohoe

Room: More London Suite

A recap on recent changes in NESO balancing services with an opportunity to provide feedback or ask questions in the room.

A look ahead at upcoming major changes including the aligned evolution of Dynamic Response and Reserve with Locational Procurement and Stacking as well as the long-term future of both mandatory and commercial Frequency Response services.

Agenda

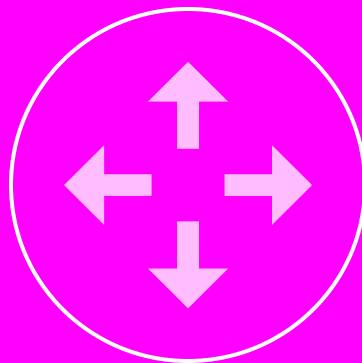
- Market and Ancillary Service update
- What has happened recently?
- What's in the near future?

Market & Ancillary Service Update



Barriers to entry for smaller demand side assets

- SFFR min unit size to 0.1MW
- DFS min unit size to 0.1MW
- Further information on Demand Side Flex covered in the EDSF session



Delivery risk and reform overload

- Understand there is a lot of changes
- Rapidly evolving system and markets
- Aim to provide forward notice of changes
- Early engagement on locational procurement, RTDx & MFR

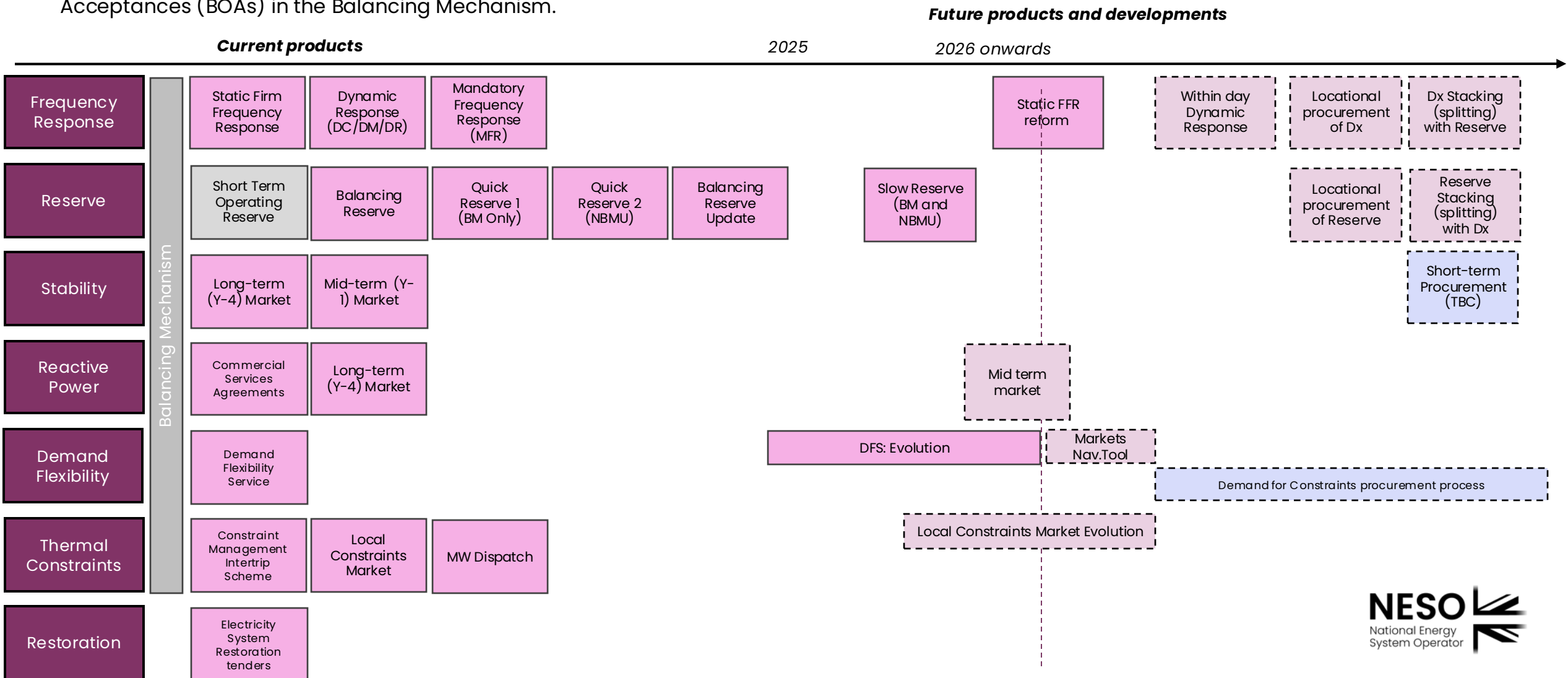


Clarity around stacking and how NESO services interact

- Updated Response stacking Guidance
- Working on Response & Reserve
- Aligning with Market Facilitator
- Broader stacking options will be evaluated

Market and Ancillary Services – Overview and Roadmap

To operate a safe and secure power system, NESO procure a suite of ancillary services through designated markets and via Bid Offer Acceptances (BOAs) in the Balancing Mechanism.



Public

What's Happened Recently?

Demand Flexibility Services (DFS)

Changes went Live 14 April



Demand Turn-Up

Add a Negative Margin element to the service

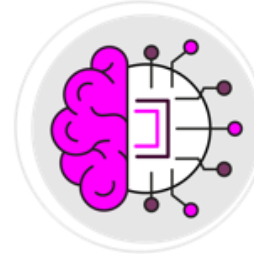


Locational Procurement & Primacy

Introduce locational procurement

12 Locational Zones

Introduce early Primacy process



Baselines

Retain P376 methodology for Domestic Participants

Introduce optional self-nominated baseline methodology for Industrial & Commercial (I&C) and intermittent renewable assets



Eligibility Rules

Reduce eligibility criteria from 1 MW to 0.1 MW

Static Firm Frequency Response (SFFR) Evolution –Go Live 31st July



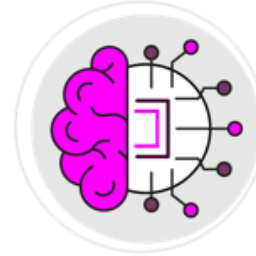
Reduce minimum bid & unit size

Reduced the minimum bid and unit size to 0.1MW



Reduced Trigger Level

Reduced the trigger level to 49.65Hz



Performance Monitoring Improvements

Updated to Performance monitoring metric (PPM) to better reflect performance.

Introduction of an escalation process to suspend and de-register providers.



Data required

Additional clarity included on the data required from providers

Dynamic Response Consultation



Improved ENCC situational awareness

Requiring operational baselines and operational data at all times.



Stacking guidance improvements

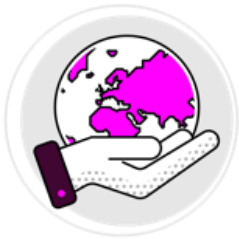
Additional guidance published on stacking Dynamic Response with Stability & Inertia services.



Performance Monitoring Improvements

Introduction of the Tiered Performance Regime.

Ability to suspend from the market.



Continuous Transition Period

Withdrawn:
Replacement for Grace Period 2 to ensure confidence in Response Volumes over contracted windows.



Quick and Slow Reserve

Slow Reserve

- Introduced 31 March 2026 for BM and Non-BM.
- 21 Market Participants
- Avg. Clearing Price 3.82 (£/MW/h)

Quick Reserve

- Introduced to BM market in March 2024 and to NBM in September 2025
- 24 Market Participants
- Avg. Clearing Price 4.45 (£/MW/h)

Activity

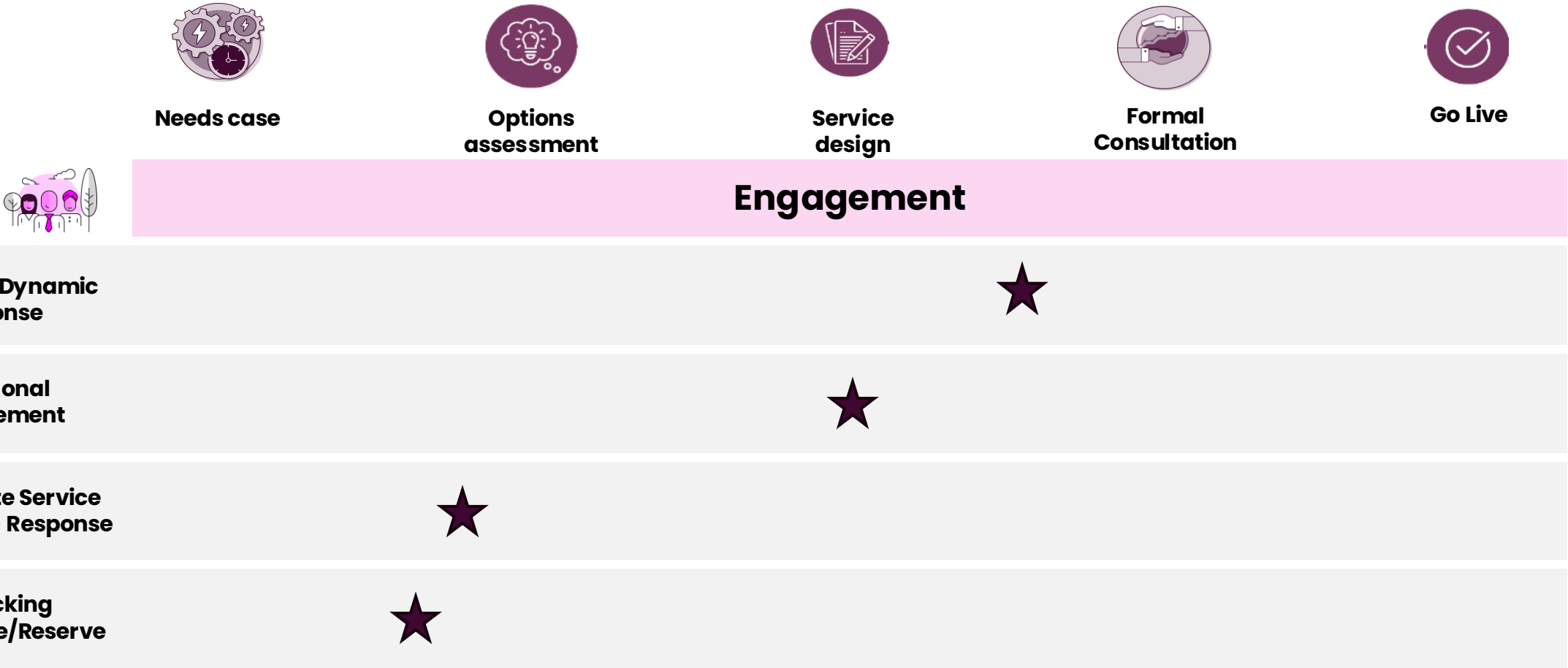
What has gone well?

What could have gone better?

Public

What's in the near future?

Response & Reserve Current Service Design Status



The need for Realtime Dynamic Response



Enables reduction over-procurement at day ahead and purchase based on need at the time – Expected to save around £10m p.a.



Cost effective alternative action to instructing Mandatory Frequency Response (MFR) – Expected to save around £7m p.a

Real-time Dynamic Response

Providers will submit limits (MW) and prices (£/MWh) for each SP and service if they wish to participate

Limits and prices can be updated until gate closure

ENCC will send 'start' and 'cease' instructions to providers to initiate and stop delivery

Delivery will be assessed and paid in the same way as for the current day ahead procurement, availability only

There is no change to the current day ahead auction

Long Term Frequency Response Changes

Mandatory Frequency Response (MFR) must change

MFR will be reformed/replaced to meet this requirement

In parallel there is a case for aligning technical parameters of Dynamic Response Services*

Request for Input (RFI) is currently live until 03 July

Service design targeted for early 2027 with delivery planning, code changes and transition period leading to MFR replacement in 2029

***Dynamic Response Services:**
DC: Dynamic Containment
DR: Dynamic Regulation
DM: Dynamic Moderation

The need for Locational Procurement



Reduction of repositioning costs and actions within day.



Fewer repositioning actions reduces complexity of scheduling and dispatch processes, reducing operational risk.



Improvement to market signals in investment and dispatch timeframes.

What does Locational Procurement mean for Providers?

12 zones aligned with key transmission boundaries.

Locational information for each asset/unit to enable unit allocation to a single zone and Grid Supply Point (GSP) Group.

Units to be aggregated in zone and GSP group

EAC algorithm considering Available Transfer Capacity (ATC), along with system wide and Zonal requirements

If active constraints across zonal boundaries exist, market clearing prices for the same service and in the same period may differ.

Considering accounting for distribution network capacity. In collaboration with MF, exploring the role for primacy.



Demand for Constraints – Site Visits

Demand for Constraints is a new service we're developing to help incentivise new flexible demand assets in Scotland, which will help us manage thermal constraints.

We are now in the final stages of design and are looking to organise visits to potential participants' sites in Scotland.

If you're interested in participating in Demand for Constraints and could host a site visit:

- Please email us at the the following email address box.market.dev@neso.energy by 3rd July, letting us know:
 - Project details
 - Timeline for the project
 - Possible dates and location of the visit.
- We are also hosting a commercial design webinar on Tuesday 23rd June at 10:30 AM – if you'd like to join please email us!



Activity

Do you understand the reasoning for upcoming changes?

- Are there any change drivers we could be clearer on?

Do you understand the impact to you of upcoming changes?

- Are there any changes you would like to see?
- Is there anything you would like to learn more about?

Is there anything that you'd like to see?

- What aren't we looking at, and why?

Dispatch Efficiency Beyond Energy

Hannah Kirk Wilson, Dispatch Transparency Programme Director

Vivian Echebima, Data Scientist

Saskia Barker, Wholesale Market Strategy Manager

Public

Breakout: Dispatch Efficiency Beyond Energy, how do we measure dispatch efficiency today — and where do we go next?

Presenter: Hannah Kirk-Wilson, Vivian Echebima , Saskia Barker

Room: Room 2/3/4

This session will explore how dispatch efficiency varies across different asset types, the key factors that influence it, and how our approach is evolving beyond energy-tagged instructions.

We'll provide a practical overview of system constraints — including what they are, how they're managed in the control room, and the impact they have on dispatch outcomes. Building on this, we'll share how we are improving transparency, including new approaches to measuring skips behind thermal constraints.

You'll also hear about the work underway to improve consumer benefit for dispatch of units behind thermal constraints, including initial options we are considering for storage behind a constraint.

We'll look ahead to changes in the skip rate methodology, factoring influencers such as GC0166 and Quick & Slow Reserve changes. Your feedback in helping shape our approach will be key.

What we'll cover today...

Progress to date on skip rates

- Improvements in energy skip rates
- Key methodology updates (including GC0166 and other changes)

How Constraints influence Dispatch efficiency

- Work underway on skips behind constraints and improving transparency

Focus topic: Storage behind constraints

- The challenge we are seeing in the market
- Options being considered to address this
- Trade-offs and potential impacts

Your input

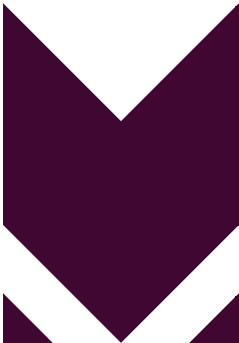
- Gather feedback on the shortlisted options
- Sense-check direction and priorities
- Open discussion to shape next steps

Storage Behind Constraints (SBC)

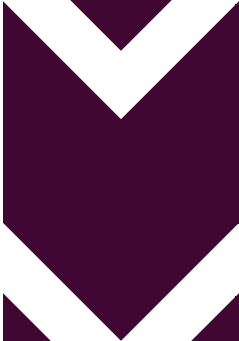
PRE-READ: KEY INFORMATION AT A GLANCE

A quick reference on every option considered

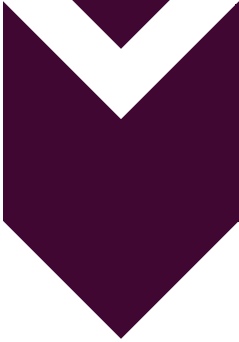
This operational review is aiming to increase the net value that storage provides to society



NESO places significant value on increasing storage on the system to deliver the flexibility needed to achieve Clean Power 2030



CP30, and the Review of Electricity Market Arrangements, recognise that the existing market and system design in GB does not currently deliver the most efficient use of the new types of assets that will deliver CP30



This operational review aims to get us a step closer to delivering the system that gets the best social value of the assets which are essential for CP30

Operability challenge: repetitive retrading

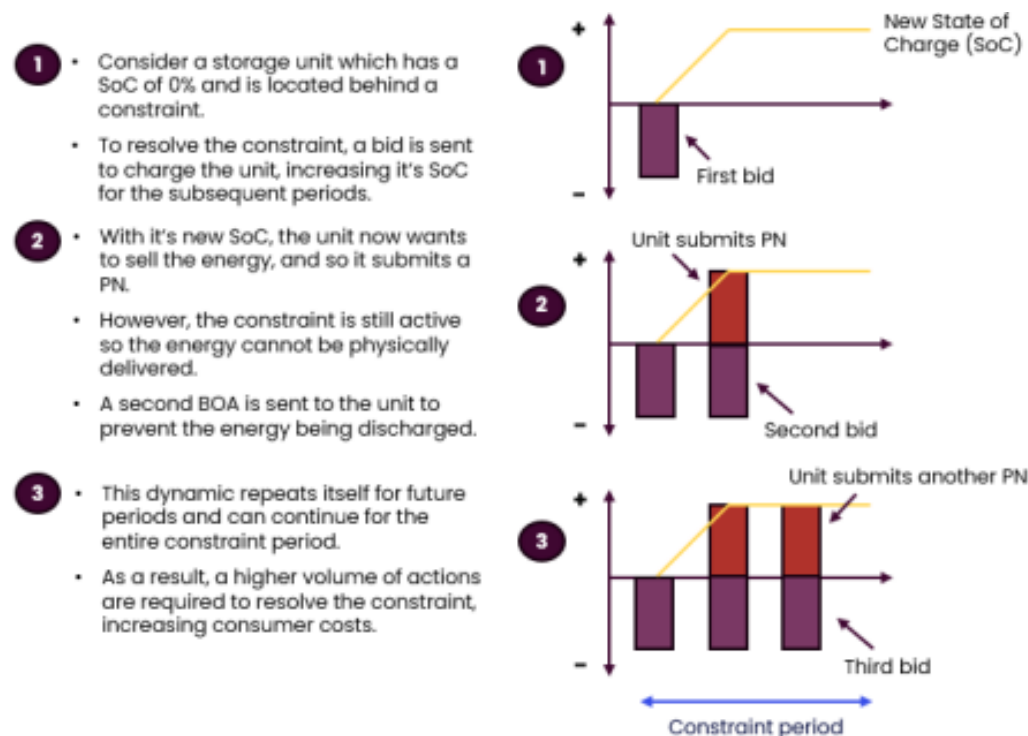


Figure 9: Illustrative example of inefficient management of storage units

- When storage assets are redispatched by NESO, it can create knock-on impacts as the units then have a different energy position than they expected. This then impacts on the availability or unavailability of energy in the market in future hours.
- This means that when constraints are active for multiple periods, the energy volume constrained off in storage units can perpetuate, leading to additional future constraint actions to buy out the same volume again in future periods; this dynamic is known as “repetitive re-trading”.

We have discussed a long-list of options with an industry workgroup

Initial list aimed at capturing **the full range of options**, including ones which may be deemed out of scope, out of NESO's remit, or that don't achieve the objectives of the review.

Change asset behaviour in BM

1A) Redispatch storage, but they can subsequently only discharge at a portion of their PN

Do nothing

2A) Dispatch in price order

Change decision making in control room

3A) Dispatch according to order of actions prioritising generation before storage, through BPS

3B) No charging of storage behind constraints

3C) Only dispatching storage assets up to a single cycle per constraint period

New markets to change storage behaviour

4A) Boundary flow smoothing project

4B) Grid Trade Master Agreement (GTMA) Schedule 7a

4C) Redispatch in bid/offer pairs to return SOC change to zero

Reduce need to redispatch storage assets

5A) Intertrip services

5B) DA information transparency and optimisation

5C) Non-firm / central scheduling of storage assets

Other options have also been suggested by the industry workgroup and included for consideration

6a

Capacity reserve market

6b

Advanced cost-benefit modelling of RRT to evaluate against BOA price differences in real-time

6c

NESO provide a guidance document on reasonable number of cycles per storage asset and NESO empowered to skip bids beyond this

Storage Behind Constraints: All Options Considered

Option	Name	Description
1A	Limit post-redispatch output	Restricts generators' ability to return to higher output after being redispatched to manage constraints. Limits the symptom, not the cause.
2A	Dispatch in price order	This is the current approach. The baseline that generated over £58m in costs.
3A	Prioritize generation before storage behind constraints	Changes dispatch sequence so generation is utilized before storage when managing constraints. Cleanest break, clear instructions for control room.
3AA	As 3A, but redispatch to charge	As 3A but still permits redispatch of storage assets to charge while prioritizing generation for bid actions. Compromise option, smaller cost savings.
3B	No charging of storage behind constraints	No redispatch of storage assets to charge, but would redispatch any discharge to 0. Doesn't maximise benefit and has no impact on behaviours.
3C	One dispatch cycle per constraint event	Limits dispatch actions during a constraint event to a single cycle to avoid repeated feedback effects. Hard to track consistently.
3CA	As 3C, but unrestricted charging	Maintains one-cycle dispatch but allows redispatch of storage to charge within the constraint. Likely produces more storage cycles per day.
4A	Boundary flow smoothing	Smooths power flows across network boundaries to reduce the severity of constraint actions. CCP already running an innovation programme to target physical causes of constraints but it operates upstream of dispatch so cannot address what happens when storage is already sited behind an active constraint.
4B	Grid Trade Master Agreement Schedule 7a	Expands pre-gate trades to replace balancing actions and reduce redispatch volumes. Already exists, expansion without unintended consequences targeted.

Storage Behind Constraints : All Options Considered

Option	Name	Description
4C	Redispatch in bid/offer pairs to return SOC change to zero	Coordinates matching bids and offers across time frames to maintain no change to storage state of charge. Beyond NESO licence remit to implement.
5A	Intertrip services	Expands automated protection schemes that reduce output when constraints are triggered allowing higher pre-fault flows. Helps at the edges of constraints, does not touch dispatch issue.
5B	DA information transparency and optimisation	Provides earlier visibility of expected constraints to inform market behaviour. This won't alter behaviour alone, if incentive remains to re-trade.
5C	Non-firm / central scheduling of storage	Moves storage toward centrally coordinated or non-firm operation within constraints. Fundamental redesign of how storage participate in markets.
6A	Capacity Reserve Market	Storage would bid to be available during congestion periods. Constraint cover procured competitively, with prices set through bidding. Design is hinged on Ofgem clarifying whether availability payments constitute a regulated service.
6B	Advanced cost benefit modelling	Factors cost of repetitive re trading into merit price stack that is visible to control engineers for decision making. Current tech does not support predicting market behaviour in real-time.
6C	Guidance on reasonable cycles per day	Sets limits or guidance on how frequently storage can cycle within a day. Enforcement mechanism non-existent. 'Reasonable' will also need to be defined.

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