

Balancing, Settlement and Dispatch

Call for Input Playback

Webinar held 16th July 2026

Question	Answer
Is NESO committed to the fundamental principle that competitive markets should be the solution wherever possible? RNP is looking more like command and control.	Yes. Competitive markets remain the preferred solution wherever they can deliver efficient and secure outcomes. RNP is about strengthening the link between market decisions and system needs.
How should we as industry feed in with views on some of these considerations?	Please reach out to box.market.strategy@neso.energy
Did the 'general support' for Lowering BM Threshold mostly come from respondents whose assets already above the threshold and in BM, and so would be unaffected?	The consultation showed broad support for the objectives of lowering the BM threshold, but support was not limited to existing BM participants. Responses came from a range of stakeholder groups, with many supporters also highlighting significant concerns around proportionality, costs, and implementation for smaller assets. We're therefore looking at both the level of support and who is affected by the reform as part of the implementation assessment and CBA.
Are we considering obligations being different on say a 10MW BMU vs 100MW BMU – like data provided, dynamic parameters, etc?	This will depend on the route taken for BM access, which we are currently exploring. As we rely on BM assets to reliably secure the system, lowering compliance on a growing proportion of the generation mix might not lead to a net benefit if we cannot rely on these assets. Therefore, this balance requires careful consideration.
What is your current view of design/implementation for	As mentioned in the CBA update, we are currently looking at two

FPNs matching traded position? In terms of probability/minded to	options following industry feedback. Option 1 will look into getting visibility of market traded position by means of various existing sources, Option 2 will require matching FPNs to traded positions at a portfolio level. We are currently analysing the implementation considerations, developing the cost benefit analysis methodology and engaging with the industry to inform our recommendation.
FPN = Traded position seemed to get no support. Why are NESO pursuing something no one else seems to think works?	We are not pursuing it blind to industry feedback. That has been reflected in our structuring of the CBA which considers the additionality of this reform to the other (more supported) reforms. We recognise that support for FPN = Traded Position was limited. That's precisely why we're testing the evidence carefully. The question isn't whether a proposal is popular, it's whether it delivers material system benefits that outweigh its costs and risks.
The "outstanding questions" are looking at how the reforms would apply - surely a first step would be to demonstrate that it delivers value	That is the role of the CBA, to determine whether the reforms deliver net value. We are considering both the implementation impacts and CBA to determine whether to proceed with the reform. Understanding how a reform would actually work is often necessary to quantify its benefits, costs and risks.
The doc notes more evidence is needed for unit-level bidding and FPNs matching traded positions. What evidence are you looking at the next stage?	We are trying to gather a clearer understanding on the extent of inefficient, or strategic behaviour around constraints. This should allow us to fully appreciate what the value of the reforms could be.
Could you please give an update on what NESO are considering regarding NTCs in line with the action in RNP and	We are exploring medium and long-term solutions to manage interconnector flows, as an alternative to the trading caps that have recently been implemented, and are considering how to account for these potential options in our CBAs.

whether this piece will feed into the CBA?	
Surely traded volume is already available from Elexon? Why change FPNs when you could just work with a single party you're already supposed to be working with?	The issue isn't simply whether traded volumes are visible. The question is whether the information NESO receives is sufficiently timely, complete and operationally usable to support balancing decisions. If equivalent outcomes can be achieved through existing data flows with Elexon, that should absolutely be considered as part of the assessment. The reform case needs to demonstrate why changing FPN arrangements would deliver additional value beyond improving use of existing data.
Parties would be in the BM if it was easy to get in and their units were not skipped. May be incremental change on these issues is a start.	That's a fair point. Many parties argue that before introducing new obligations, there is value in addressing existing barriers to BM participation, including the cost and complexity of entry and confidence that available flexibility will actually be utilised when it offers value. We continue to make progress on skip rates, as part of the assessment we are coordinating closely with the OBP team, to assess the current capabilities and operational model to face the implementation of this reform.
For the Lowering of the BM threshold we should capture that there will be cross over with the Power Available/security of supply NESO workstream.	Thank you for this feedback, we are continuing to engage internally with other NESO teams working on interacting projects.
On FPN = traded pos, slides suggest that respondents preferred portfolio matching... majority	Preference between options isn't the same as support. Although portfolio matching was often seen as the least disruptive variant, the Cfl feedback indicated that many

respondents did not support any version of FPN matching proposal	respondents did not support FPN matching in any variant.
Following the new Clean Flexibility Roadmap commitments, is NESO updating the scope of its RNP dispatch reform analysis / CBA	Our dispatch reform analysis is planning to take into account the commitments outlined in the Clean Flex Roadmap, namely understanding the impact of any reforms on consumer led flex business models.
How does gate alignment even conceptually achieve stated goals? Embedded units are primarily responding to expected imbalance prices, not traded positions	The hypothesis isn't that all embedded units respond to traded positions, however a behaviour that is present in the market is that post-Gate Closure trading changes the system position after NESO has started making operational decisions, reducing certainty about system position. The reform tests whether bringing position-setting earlier reduces that uncertainty and lowers balancing costs.
is NESO incorporating their own Power Requirement Project into the CBA (as may have an interaction with NIV chasing / lowering the BM participation threshold)	Yes, we are working closely with the project and the control room to understand the interactions and overlaps the RNP reforms.
By what legal mechanism would NESO require licence-exempt generators to participate in the BM?	We are working closely with OFGEM and DESNZ on the appropriate route to implement all these reforms. Be that via legislation, licence changes or industry codes. We are expecting legislative backing to support any required licence or code changes.
Any decision on if the rules (such as BMU size) will apply to demand as well as generation?	No decision has been taken on that yet. One of the key design questions is whether any participation thresholds, BMU requirements or visibility obligations should apply consistently across generation, demand,

	storage and aggregated flexibility, or whether a different approach is needed for different asset types. That remains under consideration and being assessed in detail in the Implementation Assessment of the reforms.
How will NESO ensure the CBA takes other whole system changes such as flexing network build into account as this is likely to have the largest impact?	That's a critical point. Any CBA needs to assess reforms against a credible future system, not today's system in isolation. Stakeholders have consistently highlighted that major changes such as network build-out, TSO-DSO coordination, flexibility growth and other RNP reforms could materially affect the scale of the problem and therefore the value delivered by balancing reforms. The objective is to ensure benefits are assessed in the context of those wider system changes, not independently of them.
Will NESO provide written answers to the questions asked in this session?	Yes
Who is the industry expert panel comprised of?	You can find a list of all IEP members on the NESO webpage here- RNP Industry Expert Panel (IEP) Members National Energy System Operator
Many proposed reforms would take a long time to implement. Dispatch Reform could make them redundant. So do will we wait till Dispatch Reform decision first?	Our current assessment is that dispatch reform is not counter to any of the balancing reforms (especially the lower BM and SSP) and we foresee them as potentially providing benefits under any dispatch arrangement. PNs matching and aligning GC and MTD may have more interaction depending on any dispatch reform chosen but again we do not think these run counter to each other so will form part of future dispatch reform analysis.
	We recognise that participation by demand units raises some different challenges to generation sites e.g. degree of active management. We are working through

How will you ensure NESO has visibility into demand units too (like dynamic parameters, FPNs etc)	the detail on this with the aim of reaching a proportionate approach to including demand sites whilst achieving the aims of the reform. We welcome any further feedback or ideas you have in this area.
How are you assessing the Dispatch reforms? Is this an internal CBA?	Dispatch Reform is being assessed through a phased evidence process, not a closed internal decision. Phase 0 is about building the case for change, options and evidence requirements; Phase 1 will test designs with industry through a dedicated Call for Input; and Phase 2 is where the full CBA, Target Operating Model, implementation impact assessment and recommendation are brought together. NESO is leading the work collaboratively with DESNZ and Ofgem, with industry engagement built into the process.
Why align the MTD with GCT as this would reduce ID trading window (put the MTD further away from delivery) and while EU is reducing the GCT from 60 to 30min?	That is the trade-off we are considering, the benefits of close to real-time trading and NIV chasing, these are national energy balance benefits, and so can at times be counterproductive when the network is congested. While the reform is intended to allow us to better manage increasing redispatch actions, and reduce unwinding actions, it could also lead to a less efficient national energy position, and whether that is net beneficial against the reduction in other actions is what we will be testing in the CBA. It's important to note that in relation to Europe it is commonplace for pre-Gate Closure congestion management processes to reduce the volume of system actions in real-time, including the adoption of Bidding Zones, which allows for shorter gate closure, shorter market trading deadlines, etc. That is what we are exploring through dispatch reform.
For the SP, how the interconnectors are taken into account? Is the aim to	IC trading arrangements will typically operate on the longer SP between the connected countries. If we were

move the ICs granularity to 15min, or staying with 60min with a cross-product matching?	to move to a 15 minute SP then would enable 15 granularity .
Will there be chances for those outside of Industry Expert Panel to feed into CBA?	We will publish the material we share with the IEP on our webpage, and we welcome feedback on this material. Given tight timelines, we will think about the best way to inform stakeholders when this material has been published online. Nevertheless, after our Recommendation on the Balancing Reforms is expected that Ofgem will launch their own consultation before adapting a minded-to position.
For embedded units responding to traded positions, trading will happen irrespective of deadline and resulting actions will remain invisible. What am I missing?	This situation has been raised by stakeholders. If an embedded unit's, outside the BM, physical behaviour is primarily driven by expected imbalance prices, then aligning deadlines or linking FPNs more closely to traded positions doesn't necessarily make that behaviour more visible to NESO. Unless the reform changes the information available to NESO or changes the incentive driving the physical response, the causal link to improved operability isn't obvious. We expect that lowering the BM threshold will bring these embedded assets into the fold of the BM. This provide NESO with visibility and apply BSC obligations on those units. This is one of the key assumptions that is being tested under the CBA.
During CBA process, we found that implementation timeline is a big driver of the costs. Will NESO include the implementation timeline in future discussions.	Yes, this will be a critical part of the implementation assessment. We will test the assumptions, with the IEP and Bilateral Engagement.

Can NESO explain the conceptual benefit of seeing traded positions if parties' FPNs for generation and demand are accurate?	The conceptual benefit isn't that traded positions are inherently more valuable than accurate FPNs. The hypothesis is that traded positions provide an additional source of visibility into market intent and may help identify situations where market actions after Gate Closure could change the system position in ways that NESO cannot fully anticipate.
Are you seeing an expected benefit from 15 min SPs due to the alignment (on paper) with European IEM arrangements?	Potentially yes, but only if IEM alignment is being treated as an explicit benefit category. A 15-minute SP could improve interoperability with European arrangements, but that is a different benefit from improving balancing efficiency within GB. The CBA will be clear about how much value comes from domestic operational benefits versus European alignment benefits.
How does 'behaviour around constraints' and unit bidding link in your eyes, as slide 15 suggests?	It's about the ability to identify the behaviour, and create appropriate rules to mitigate it. Under portfolio-bidding, because economic offers aren't directly tied to units, it makes the market monitoring process much more complex and arduous.
Will the BM proposals apply in same way to generation and demand? What does "visibility" entail for demand and generation respectively?	We are keen to develop this conjunction with industry to determine what visibility can be provided, i.e. whether that is PN-like data. The key question is not whether visibility is needed, but what information NESO genuinely requires to operate the system efficiently and securely, and whether that differs by asset type, the Implementation Assessment in due course is informing this decision.
Did you just say you do not have system security, because of market trading?	No, what was meant was that lack of visibility of what the market is doing close to real time means we have less certainty over what we need to balance. Less certainty inherently makes balancing more difficult and requires us to hold extra ancillary services to

	manage this uncertainty, leading to higher balancing costs.
Is there any difference re impact on NESO (or anyone else) between an “invisible” embedded battery trading power 16 minutes b4 delivery start or 76 minutes b4?	If nothing new becomes visible to NESO, align the market deadline alone doesn't obviously create a benefit. The key question is what information NESO gains with the reform, and whether that information improves forecasting, scheduling or balancing decisions.
Some of the CBA seem near impossible to perform unless one decides what needs to be the result. Pooling the industry opinion might be a fairer approach.	A CBA provides analytical discipline, but where evidence is highly uncertain, industry views can be an important sense check on whether the behavioural assumptions are realistic, that's the reason why we are working with the Industry Expert Panel. The key is not replacing analysis with opinion, but testing whether the analysis relies on assumptions that industry believes are implausible.