23 September 2026

Incentives August 2026 Report

NESO Business Plan 1 (2026-28)

NESO
National Energy System Operator

Contents

Introduction

NESO1 is our first two-year Business Plan as the National Energy System Operator, covering April 2026 to March 2028. It explains how we will deliver our strategic aims, provide value for money, and support a secure, affordable and sustainable energy system. We published our plan in November 2025, structured around six Performance Objectives that set out how we would deliver over the period. In its Determinations, Ofgem added a seventh Performance Objective focused on providing customers with a high-quality, independent and trusted service. The final set of Performance Objectives are:

- Planning a Clean Energy Future
- Operating an Intelligent, Real-Time Grid
- Enabling Smarter, Cleaner Markets
- Driving Whole-System Resilience
- Delivering a Decarbonised, Operable Grid
- Building a Digitally Connected Energy System
- Providing Customers with a High-quality, Independent and Trusted Service

In line with the requirements set out in the NESO Performance Arrangements Governance Document (PAGD), this report provides transparency on a range of Reported Metrics covering operational outcomes, performance drivers and trends over time.

The Reported Metrics form part of NESO's regular performance reporting and provide visibility of key operational measures across the organisation.

Quarterly reports provide additional narrative on progress against NESO's Performance Outcomes, including evidence against Ofgem Expectations, associated Success Measures and Major Deliverables, while six-monthly and annual reports also include stakeholder survey results and updates on value for money.

Please see our incentives website for more information on the scheme, our reporting requirements, and to access our reports.

You can stay up to date with our latest news and events on the NESO website or by subscribing to our weekly newsletter.

Reported Metrics

Summary of Reported Metrics

The table below summarises our Reported Metrics for August 2026:

	Reported Metric	Performance
1	**Balancing Costs**	Aug: **£242m**
2	**Demand Forecasting**	Aug: Forecasting error of **657MW**
3	**Wind Generation Forecasting**	Aug: Forecasting error of **3.2%**
4	**Skip Rates**	Aug: Post System Action (PSA) Offers: **38%** Bids: **41%** Combined: **40%**
5	**Security of Supply**	Aug: **0** frequency excursions (more than 0.5 Hz away from 50 Hz for over 60 seconds). **0** instances where frequency was 0.3 – 0.5 Hz away from 50 Hz for over 60 seconds. **0** voltage excursions.
6	**CNI Outages**	Aug: **0** planned, **1** unplanned system outages.

1. Balancing Costs

Under NESO1 (April 2026 to March 2028), we publish NESO's outturn balancing costs (including Electricity System Restoration costs) as a Reported Metric to provide clear, accessible transparency on balancing cost outturns, key operational drivers of balancing costs and trends over time. Where we include comparative indicators, these are provided for context only.

We are using a new benchmark methodology for NESO1, which has been developed and expanded from the previous BP3 methodology. The new methodology continues to use the relationship between wholesale prices and monthly balancing costs; however outturn wind has been replaced with a new variable, hypothetical wind penetration.

Hypothetical wind penetration is defined as the ratio of unconstrained wind to national demand. This provides a normalized, objective measure of system stress from wind.

Other changes to the benchmark methodology include:

- Instead of using monthly data points in our calculations, we are using daily data points which allow for a greater sample volume. This increases the number of points from 36 to 1000+.
- We use a daily monthly average cost estimation (an average of the days across the month) multiplied by the number of days in the month, to normalise the data and to eliminate biases from the length of the month, which varies.

The NESO1 benchmark uses two main external drivers:

1. Unconstrained Wind Penetration

Unconstrained wind penetration = Unconstrained wind MWh / National demand MWh

Where:

Unconstrained wind MWh = actual wind output + curtailed wind
National demand MWh = daily total electricity demand

This variable captures system stress before operational decisions are made. In the dataset, this appears as:

wind_penetration_mean = daily average unconstrained wind penetration

2. Day-Ahead EPEX Price (APX)

Daily APX price = average day-ahead APX price in GBP/MWh

This variable captures the market price environment in which balancing actions occur.

In the dataset, this appears as:

day_ahead_price_mean = daily average APX price

Further details on our benchmark methodology and additional supporting information on monthly balancing costs and drivers are also available on our Balancing Cost page here.

August 2026 performance

Figure: 2026-27 Monthly balancing cost outturn versus benchmark

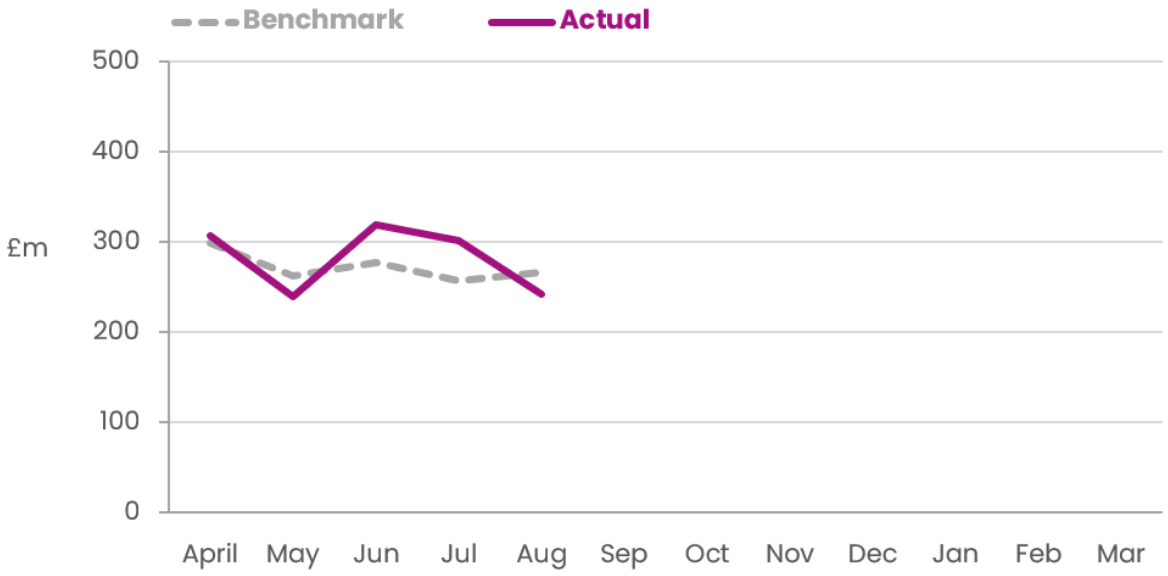


Table: 2026-27 Monthly breakdown of balancing cost benchmark and outturn

All costs in £m	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Unconstrained Wind Penetration	0.21	0.15	0.18	0.15	0.14								0.17
Day Ahead APX (£/MWh)	82.5	104.8	100.2	106.7	127.1								104.3
Benchmark*	299	262	278	257	266								1362
Outturn balancing costs[1]	**307**	**239**	**319**	**301**	**242**								**1408**

Previous months' outturn balancing costs are updated every month with reconciled values. Benchmark and outturn balancing costs are rounded to the nearest £m.

[1] Outturn balancing costs exclude Winter Contingency costs for comparison to the benchmark as agreed with Ofgem. However, in the rest of this section we continue to include those costs for transparency and analysis purposes.

Supporting information

BALANCING COSTS METRIC & PERFORMANCE

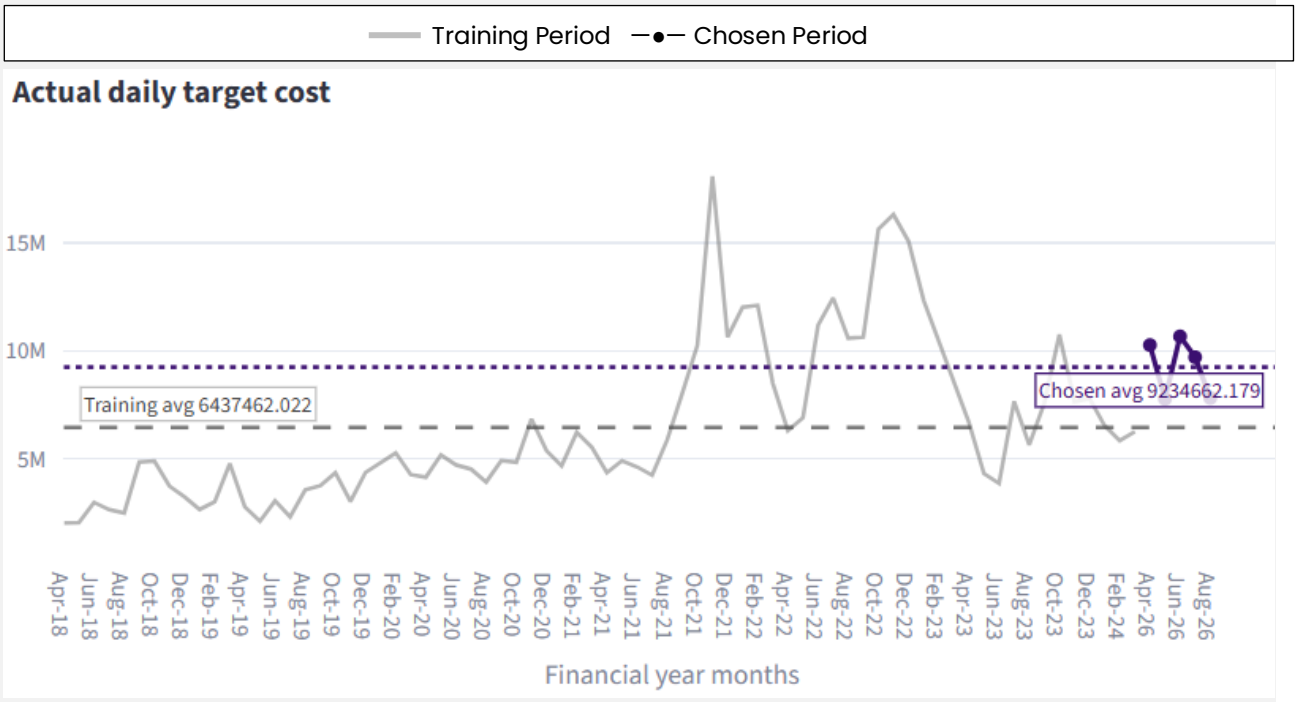
This month's benchmark

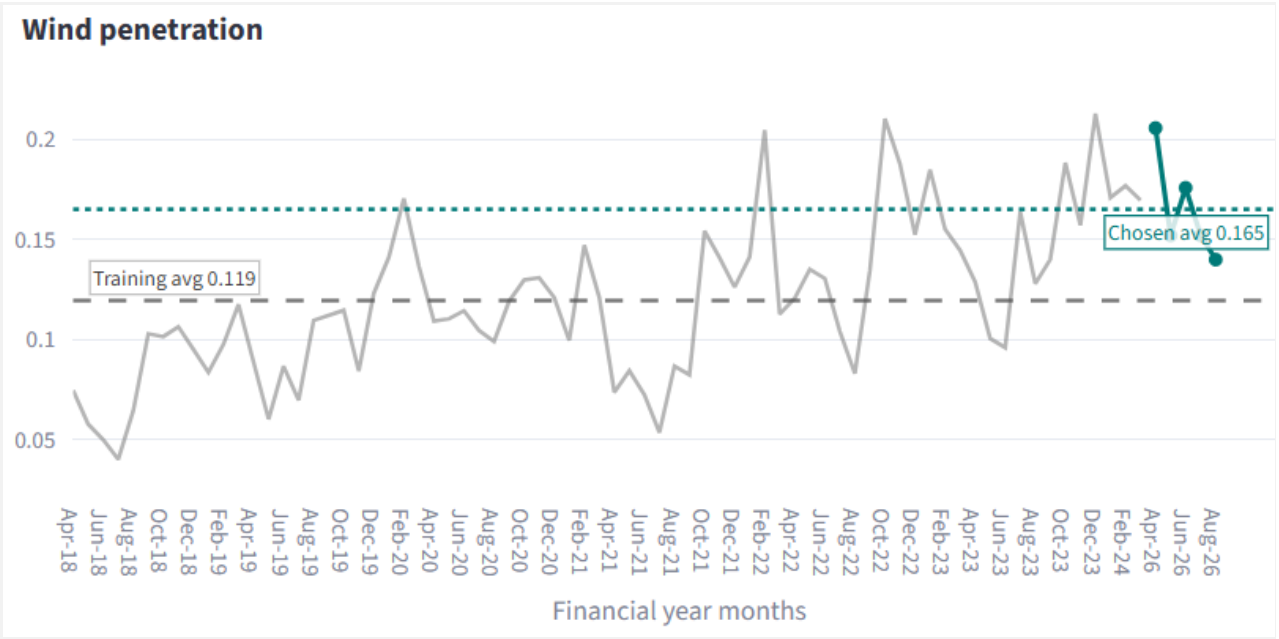
August's daily average benchmark of £8.6m is £0.2m higher than July's and reflects:

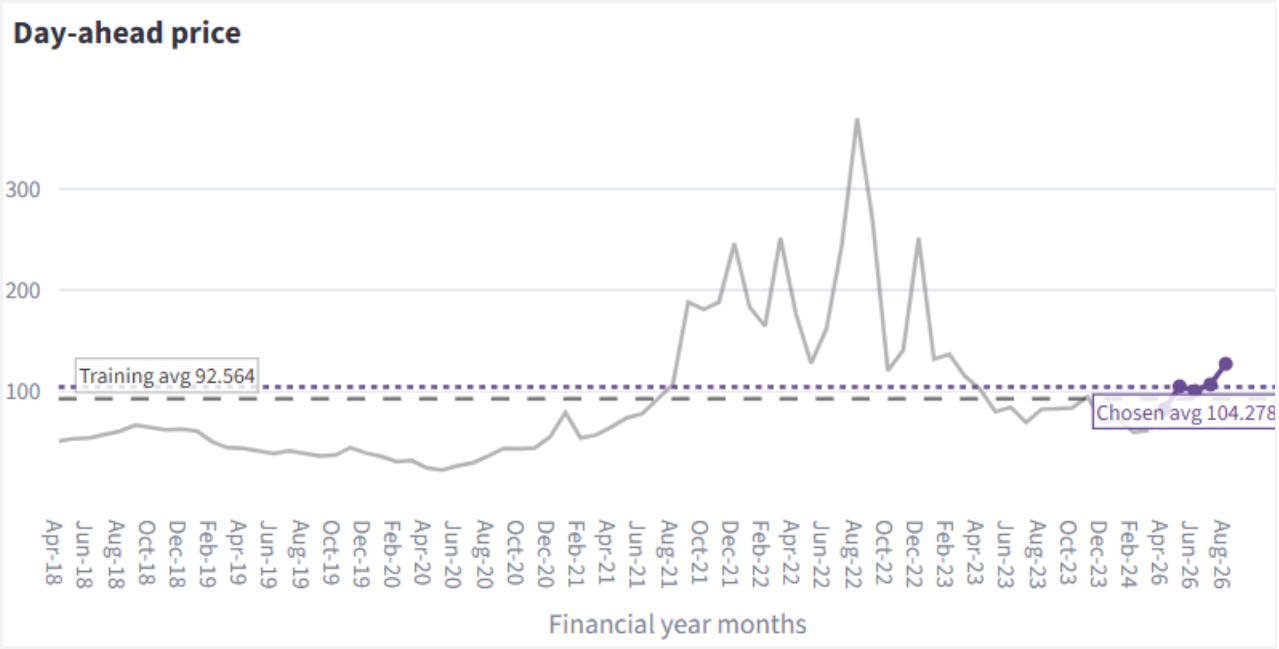
Wind penetration (August ↓ vs July): August shows lower wind penetration than the previous month, indicating a shift to a different operating regime relative to July. In the model, lower wind penetration indicates some variability of the balancing cost influenced from the system needs. The average daily costs show a drop of ~£1.9m compared with the daily average from July.

Day-ahead price (August ↑ vs July): August's higher day-ahead prices compared with July point to a more expensive wholesale backdrop during the period being analysed. Day-ahead price is a main feature for the model estimating average daily cost.

Overall, the wind penetration decrease has outweighed the increase in wholesale costs and resulted in lower balancing costs this month.







Balancing Costs - Overview

The total balancing cost for August was £242m, which is £24m (~9%) below the benchmark of £266m.

Despite wind output remaining similar to July at 4TWh, August saw more variable weather. Early-month unsettled conditions in the north of GB led to wind curtailment and thermal constraint actions in Scotland, while July's high pressure continued in southern GB, bringing low wind levels and tighter margins. These contrasting conditions resulted in the month's highest daily costs on 7 and 8 August at £19.5m and £19.2m respectively. All other daily costs in August remained below £15m.

August saw a reduction in the exceptionally high embedded solar generation of July, which had reduced daytime transmission system demand and increased the requirement to offer

on synchronous generation to manage voltage and inertia. As a result, voltage costs were almost half those of July and inertia costs reduced by 65% from July.

An Electricity Margin Notice was issued by NESO on the evening of 11 August for the period 17:00-22:00 on Wednesday 12 August 2026, the date of the eclipse. The EMN was revised in the morning to cover only 18:00-20:00 and then cancelled just before 13.00. With daytime solar forecast to decrease earlier in the evening than usual, lower solar generation was expected over the evening demand peak. Total balancing costs for 12 August amounted to £10.6m.

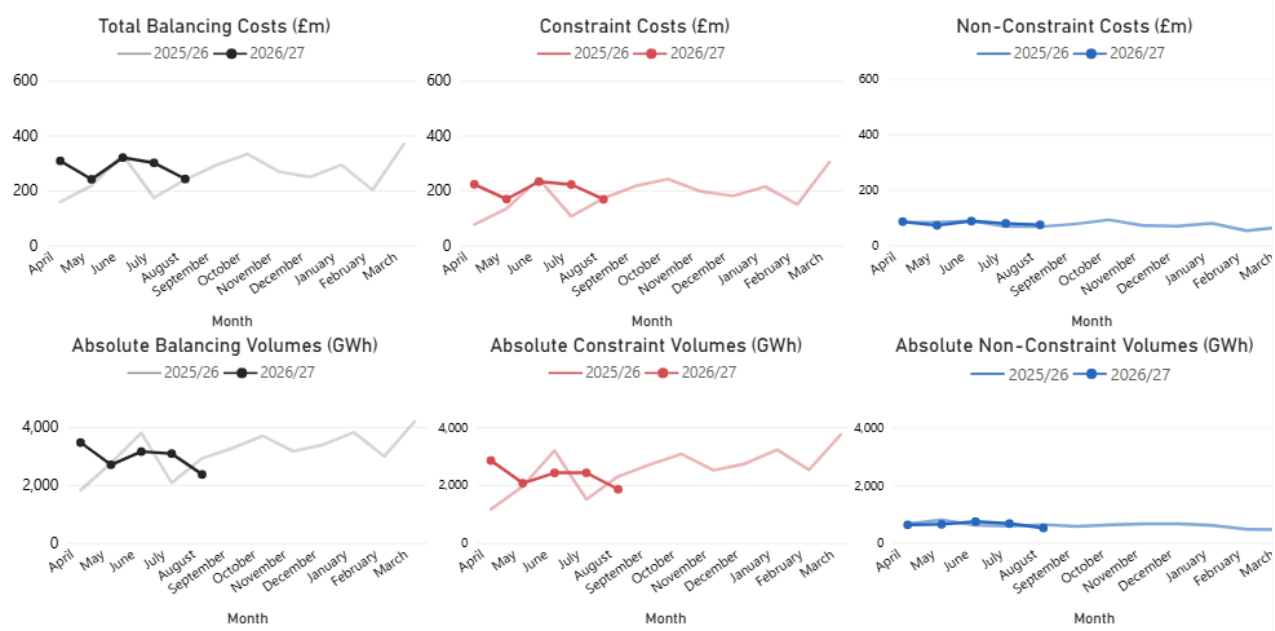
August constraint costs decreased by £54m from July. Lower requirement for wind curtailment drove a reduction in constraint costs in Scotland by £22.9m. Meanwhile the earlier-mentioned reduction in requirement for voltage and system inertia management during the daytime meant that August saw a reduction of £19m in England & Wales constraint costs, mostly attributable to the reduced spend on voltage. Compared to August 2025, the absolute volume of constraint actions decreased by 317GWh, however the effect of higher gas prices meant that the lower volume did not materialise as a significantly lower cost, with a total constraint cost decrease of £4.5m (-2.6%) from last year's total.

Non-constraint costs decreased in August to £74m from £79m in July. While there was a slight increase in Reactive spend, this was outweighed by lower costs for Response, Reserve and Restoration. Average Response clearing prices for Dynamic Moderation (DM) and Dynamic Containment (DC) increased slightly between July and August, while the price of Dynamic Regulation (DR) continued a sharp drop seen last month and, at £1.73/MWh, reached its lowest price since March 2025.

Both NBP gas and DA power prices were higher in August compared to July. Gas prices trended consistently upwards as the month progressed, from 141.23p/therm on 1 August to 164p/therm on 31 August, with a noticeable step up between the 10th and 11th in reaction to supply concerns, with Norway extending a partial outage at the Ormen Lange field, as well as the number of vessel transits falling through the Strait of Hormuz. Day-ahead power prices varied more throughout the month in response to changing weather conditions. A period of lower pricing (£87.98-£112.89/MWh) between the 5-9 August was driven by the highest wind outturn of the month on the 5th and some higher wind days continuing until the 9th. With margins tightened due to heatwave conditions and low wind, alongside the step up in gas prices from 11 August, the highest DA power prices of the month occurred on 13, 14 and 17 August.

The volume weighted average (VWA) price of bids in August was £42.43/MWh, which is less expensive than July's price of £16.47/MWh (a positive bid price reflects a net payment to NESO). The positive bid price reflects a greater proportion of the total monthly bid volume taken on fuel types other than wind, a continuation of the trend since June. Wind bids accounted for 33% of total bid volume in August, the lowest percentage all year. Meanwhile CCGT bid volume saw its highest percentage all year at 22%. The volume weighted average (VWA) price of offers, which has been climbing since April, increased from £173.94/MWh in July to £193.77/MWh in August, in line with increasing gas prices. CCGT units accounted for 63% of Offer volume this month, the highest all year. Carbon prices also saw a slight increase this month, from £68.7/ton to £69.84/ton.

Total Balancing Costs (£m) and Balancing Volume (GWh) monthly vs previous year



*Please note that the charts above show absolute volume rather than net volume.

2. Demand Forecasting

Under NESO1 (April 2026 to March 2028), we publish demand forecasting as a Reported Metric to provide transparent reporting on forecast accuracy and how this is evolving over time. This supports our focus on high-quality system operation inputs and their effective use in real-time operational decision-making. For context, we also show comparisons with the previous year and the average of the previous five years for the same month.

This Reported Metric measures the average absolute MW error between day-ahead forecast demand (taken from Balancing Mechanism Report Service (BMRS) as the National Demand Forecast published between 09:00 and 10:00) and outturn demand (taken from BMRS as the Initial National Demand Outturn) for each half hour period. BMRS is now known as Elexon Insights[2].

In settlement periods where the Demand Flexibility Service (DFS) is instructed by NESO, this will be retrospectively accounted for in the data used to calculate performance.

August 2026-27 performance

Figure: 2026-27 Monthly absolute MW error vs Indicative Benchmark

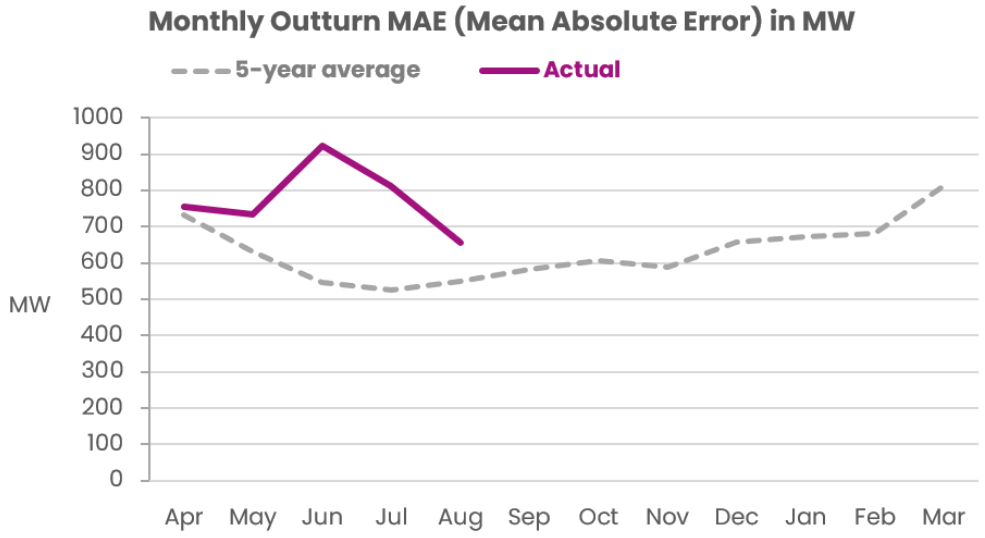


Table: 2026-27 Monthly absolute MW error vs Previous 5-year average

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Previous 5-year Average (MW)	732	630	546	525	548	583	606	588	657	671	680	813
Previous year outturn (MW)	671	692	616	584	579	702	711	641	626	662	717	985
Absolute error (MW)	**754**	**735**	**922**	**813**	**657**							

[2] Home | Insights Solution

Supporting information

In August 2026, demand forecasting error averaged 657MW, against the previous 5-year average of 548MW. YTD performance is currently 775MW, vs 5-year average of 596MW.

August was dominated by high pressure in the first half, bringing very warm, dry and sunny conditions, especially in southern UK, including the 5th heatwave from 10–14 August and record-breaking temperatures in Wales and London. The second half became more unsettled, with rain, thunderstorms and some flooding, though much of the UK still ended the month with below-average rainfall.

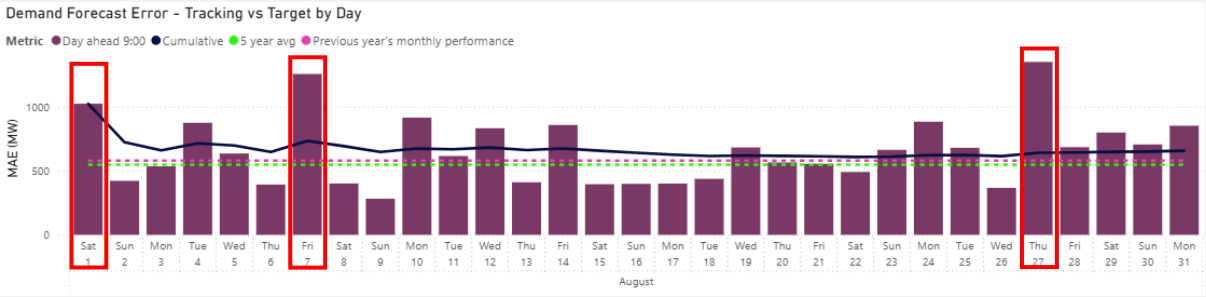
Most schools were on summer holidays during the whole month of August, but the Scotland academic year started. The Summer Bank Holiday on 31 August occurred later than in the previous few years, which introduced some forecasting uncertainty.

The largest absolute Day-Ahead demand error this month was 3.9GW on 27 August, SP23.

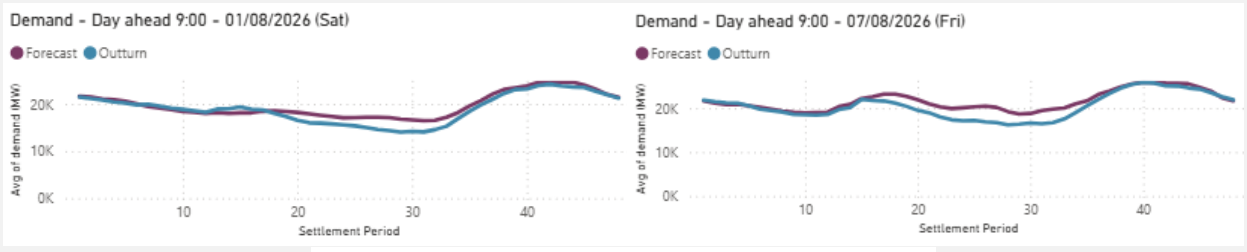
The minimum demand was 13.3GW on 8 August, SP27. The maximum demand was 30.8GW on 13 August, SP43. Solar generation peaked at 15.1GW on 11 August.

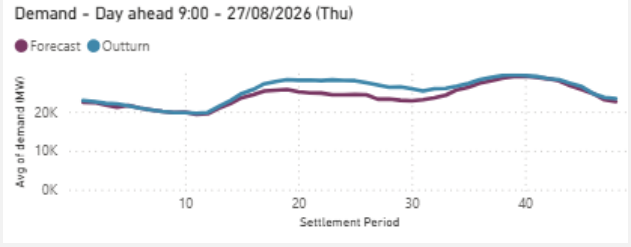
Work continues on validating our next-generation National Demand forecast models. These adopt Machine Learning/AI technology and will make use of the latest NWP (Numerical Weather Prediction) weather data. NESO now aims to release to production in Q3 2026.

Solar continues to be the largest influence on the metric performance. The new solar models perform well under overcast or clear-sky conditions, but further weather and model improvements are necessary to cope with changing circumstances. NESO expects to release an upgrade in Q3 2026.

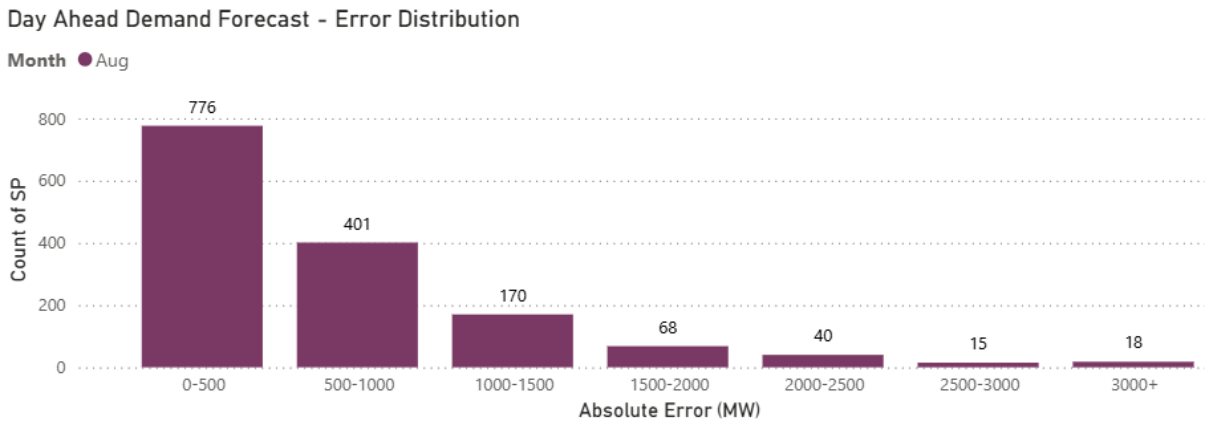


Days of Interest:

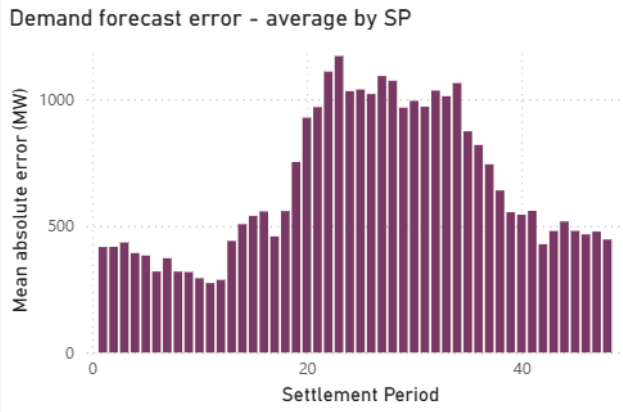




The distribution of settlement periods by error size is shown below:



The distribution of average error by settlement period is shown below:



Details of largest errors:

Day	Error (MAE)	Major causal factors
1	1024	Forecast errors due to underlying demand and weather forecast issues
7	1256	Forecast errors due to solar PV forecast errors
27	1351	Forecast errors due to solar PV forecast errors

Missed / late publications

There was 1 late or missed publication on 31 August, due to IT issues.

Demand Flexibility Service

Demand Flexibility Service (DFS) was used on 18 days in August, with an accumulated total of 3116 MWh procured. These will nominally affect the national demand outturns but are not included in the day ahead forecast or metric correction.

3. Wind Generation Forecasting

Under NESO1 (April 2026 to March 2028), we publish wind generation forecasting as a Reported Metric to provide transparent reporting on forecast accuracy and how this is evolving over time. For context, we also show comparisons with the previous year and the average of the previous five years for the same month.

This Reported Metric measures the average absolute error between day-ahead forecast (between 09:00 and 10:00, as published on NESO data portal) and post-event outturn wind settlement metering (as published on the Elexon insights portal) for each half hour period as a percentage of capacity for BM wind units only. The data will only be taken for sites that:

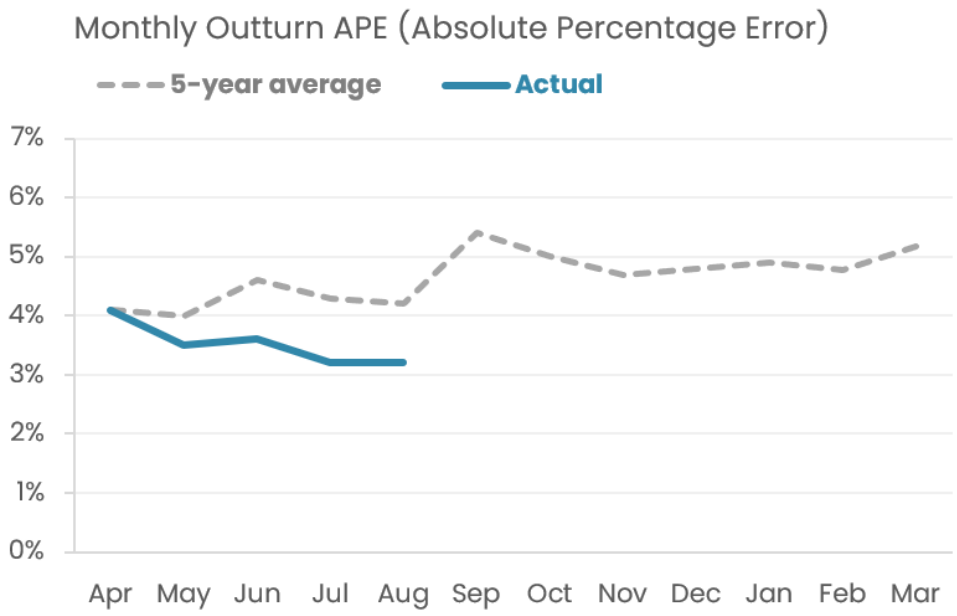
- did not have a bid-offer acceptance (BOA); and
- did not withdraw availability completely between time of forecast and time of metering; for the relevant settlement period. We publish this data on its data portal for transparency purposes.

Sites deemed to have withdrawn availability are those that:

- re-declare maximum export limit (MEL) from a positive value day-ahead to zero at real-time; or
- re-declare their physical notification (PN) from a positive value day-ahead to zero at gate closure of the Balancing Mechanism.

August 2026-27 performance

Figure: 2026-27 BMU Wind Generation Forecast APE vs Indicative Benchmark



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Previous 5-year average (%)	4.1	4.0	4.6	4.3	4.2	5.4	5.0	4.7	4.8	4.9	4.8	5.2
Previous year outturn (%)	3.9	4.1	5.6	3.8	4.1	5.7	4.4	5.3	4.4	4.9	4.7	4.2
APE (%)	**4.1**	**3.5**	**3.6**	**3.2**	**3.2**							

Supporting information

In August 2026, BMU wind forecasting error averaged 3.2%, against the 5-year average of 4.2%. YTD performance is currently 3.5%, vs 5-year average of 4.2%.

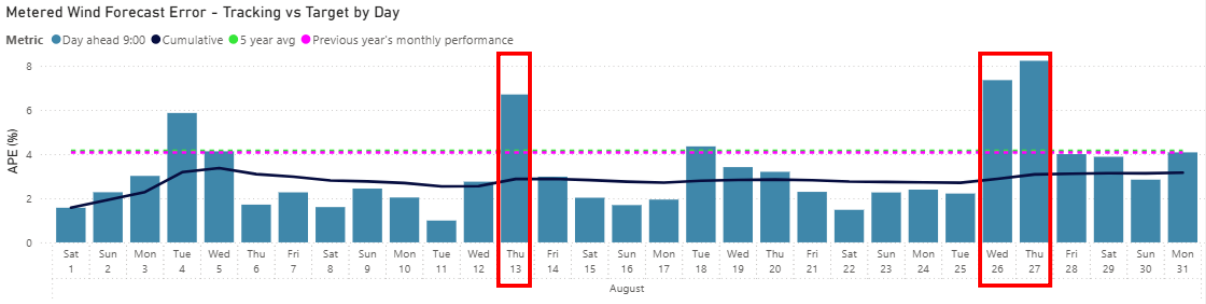
Metric-adjusted wind generation peaked at 13.7GW on 5 August, SP38.
Day Ahead Wind forecast absolute error peaked at 3.8GW on 27 August, SP46.

August began with settled high-pressure conditions, before becoming more unsettled later in the month as low pressure brought weather fronts and thunderstorms, particularly across northern areas.

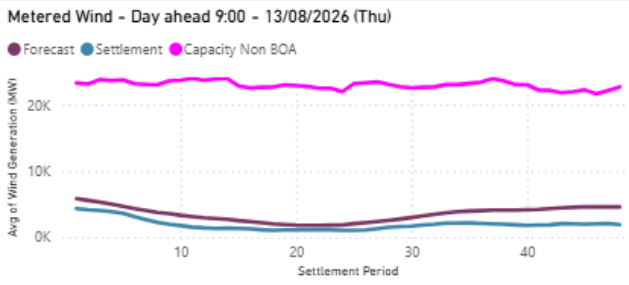
Work continues on the wind-direction feature. Migration of IT services over to an independent NESO tenant has suppressed development progress and we now expect to release to production in Q3 2026. From Q3, we intend to focus on enhancing our within-day capability.

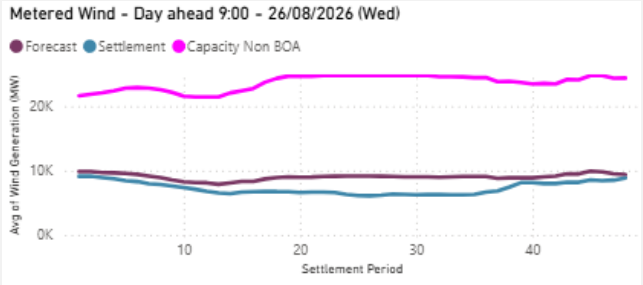
The wind models continue to perform well, but further weather-forecast and insight-improvements are necessary to make significant performance gains.

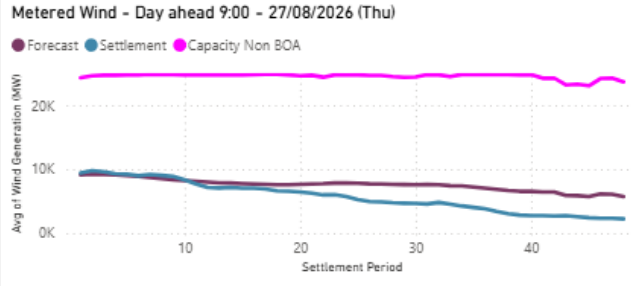
NESO aims to trial higher-resolution weather data in Q4 2026.



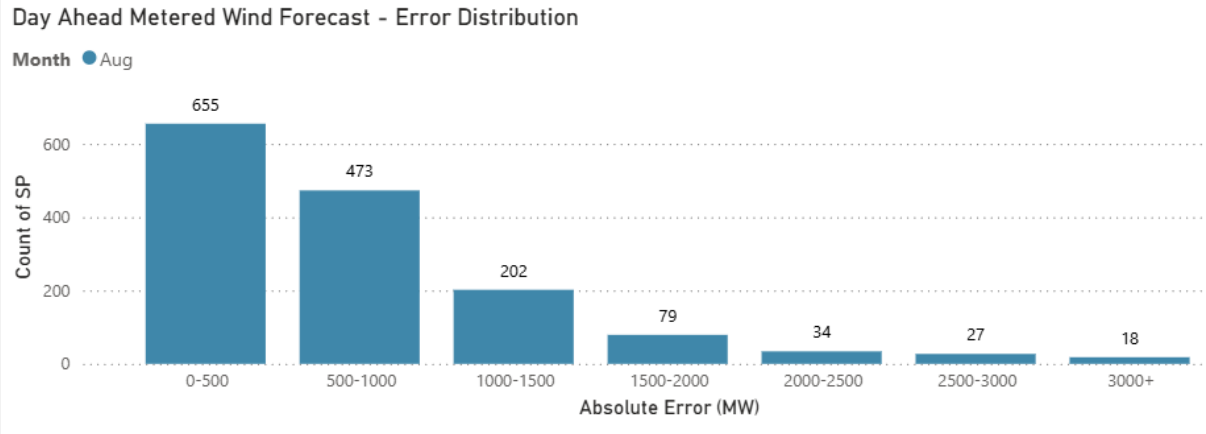
Days of Interest:



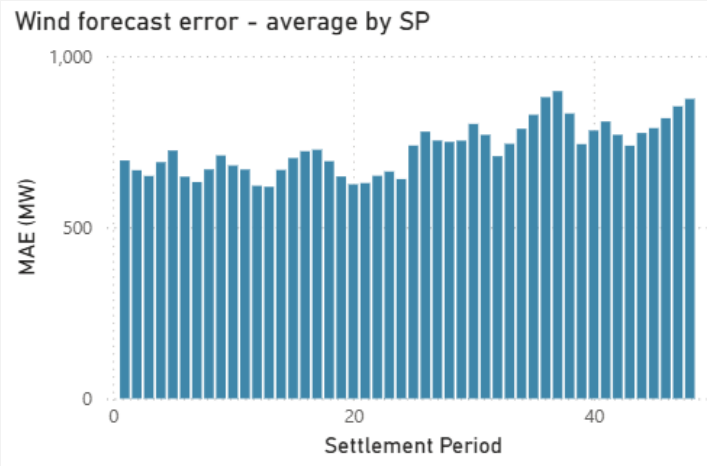




The distribution of settlement periods by error size is summarised below:



The distribution of average error by settlement period is shown below:



Details of largest errors:

Day	Error (APE)	Major causal factors
13	6.7	Wind speed forecast errors at day-ahead stage
26	7.4	Wind speed forecast errors at day-ahead stage
27	8.2	Wind speed forecast errors at day-ahead stage

Missed / late publications

There were no late publications in August.

4. Skip Rates

Under NESO1 (April 2026 to March 2028), we publish skip rates as a Reported Metric to provide transparent reporting on dispatch efficiency, key drivers of outcomes and trends over time. Alongside the data, we set out the actions we are taking, with industry, to improve performance and reduce avoidable skips.

NESO has an obligation to operate a safe, reliable and efficient system. In consultation with industry, we have developed the Energy Balancing skip rate (previously referred to as 'PSA') as a measure of dispatch efficiency of energy balancing actions. We also developed a methodology for measuring skip rates behind thermal constraints, which we will start reporting later in the year. A skip occurs when a non-economic dispatch decision is made due to the NESO Control Room sending an instruction via BOA (Bid Offer Acceptance) at a higher price than an alternative could have been taken. Some skips are unavoidable due to asset dynamics and transmission limits while others may occur as a result of optimising the lowest cost over the day.

Our aim is to provide transparency on dispatch decision-making and to work with industry to reduce avoidable skip rates over the NESO1 period, supporting efficient balancing actions and robust control room processes.

This Reported Metric currently measures the combined skip rate for bids and offers based on stage 5 of the Energy Balancing methodology. For this metric we had a target of an average rate of 30% from January to the end of June 2026. This methodology will be updated with necessary changes agreed with industry (e.g. incorporating new parameters as defined by GC0166). More information on the skip rate definition and methodology can be found here.

Graph: 2025-27 Monthly % Energy Balancing Skip rate Offers and Bids

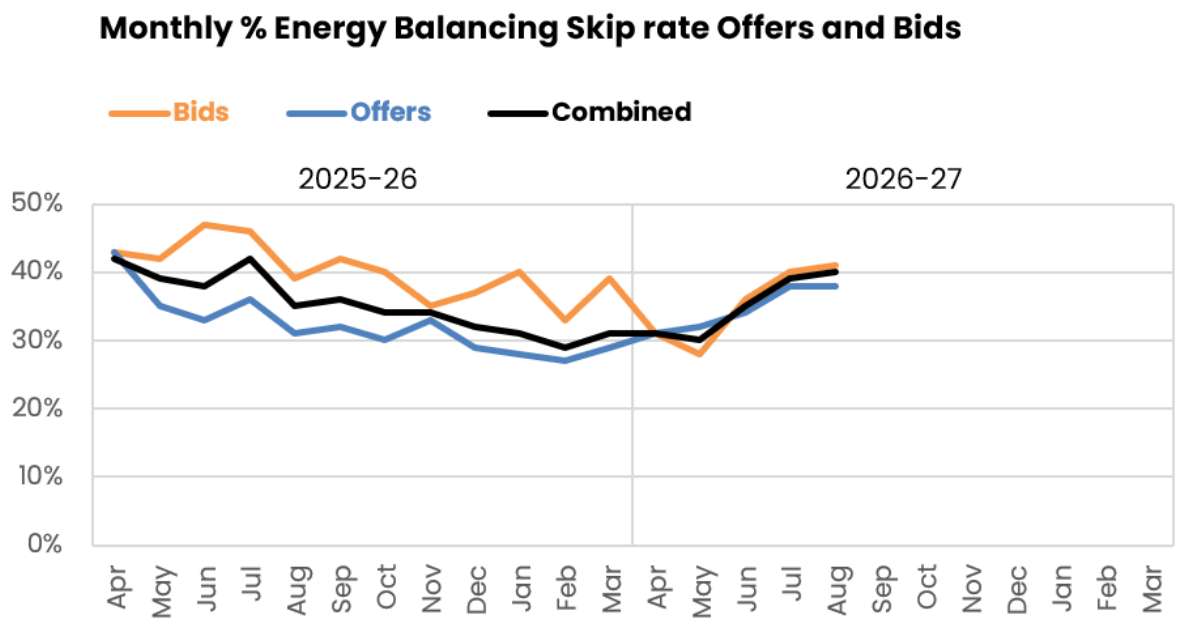


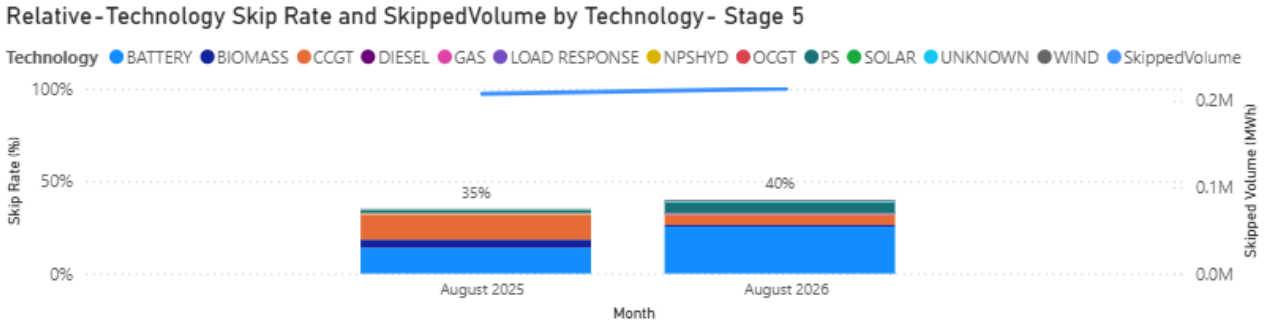
Table: 2026-27 Monthly % Energy Balancing Skip rate Offers and Bids

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Offers	31%	32%	34%	38%	38%							
Bids	31%	28%	36%	40%	41%							
Combined	31%	30%	35%	39%	40%							

Average skip rate January-June: (vs target of 30%): **31%**

Energy Balancing Skip Rate: August 2025 versus August 2026

The combined skip rate in August 2026 was 4.8 percentage points higher year-on-year. Absolute skipped volume remained broadly stable, moving from 208 GWh to 214 GWh (+3%). In-merit volume shifted from 595 GWh in August 2025 to 537 GWh in August 2026 (-10%), reflecting a quieter month for energy balancing dispatch. The change in rate was therefore primarily a function of lower overall balancing volumes rather than a change in out-of-merit behaviour. Skipped volume in absolute terms held steady, and the rate movement reflects the smaller denominator of in-merit opportunities available during the month.



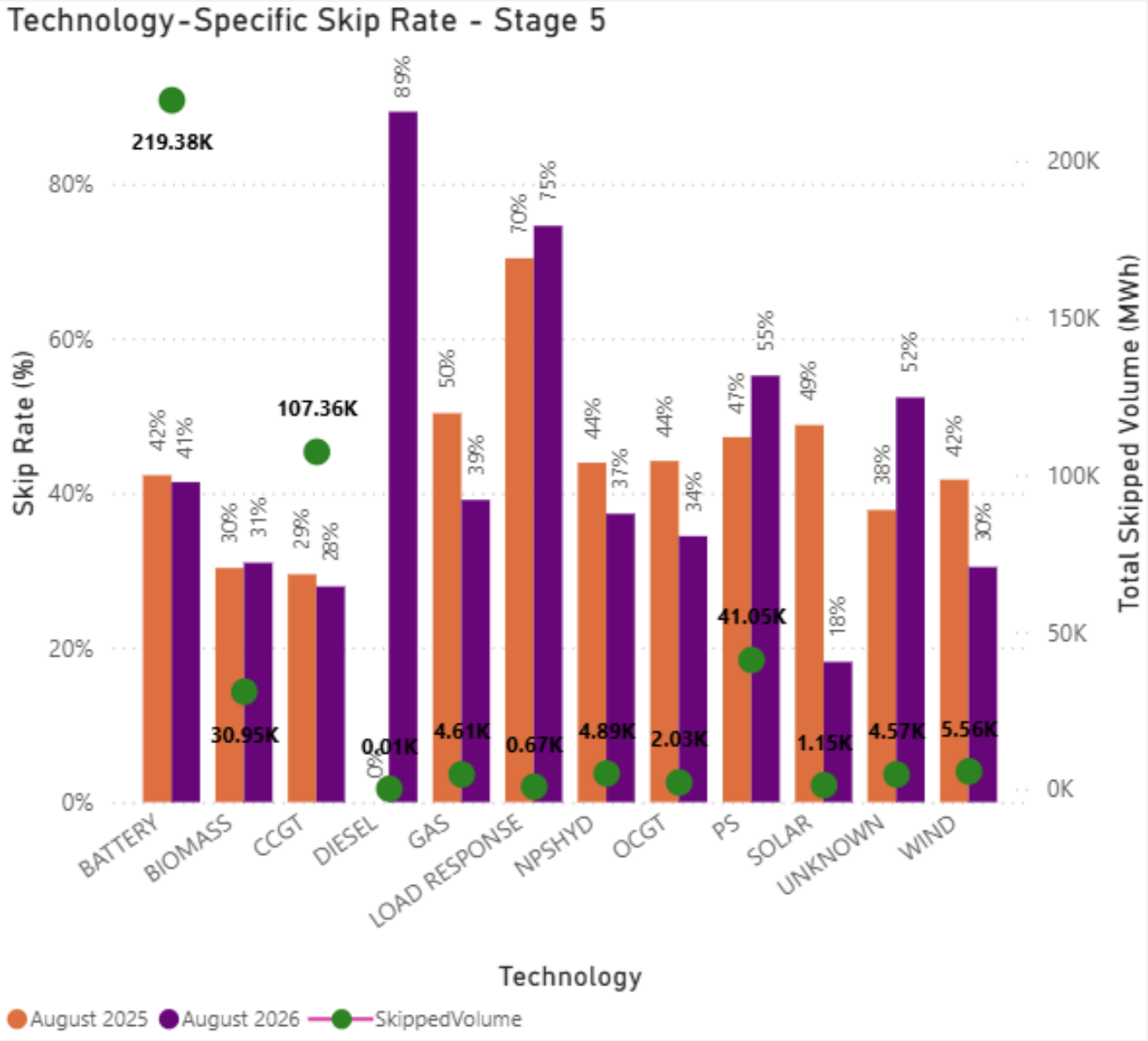
Supporting information

AUGUST PERFORMANCE – COMBINED BIDS AND OFFERS

The combined bid and offer skip rate stood at 40% in August, broadly stable month-on-month. Battery bid volume eased 8% to 241 GWh (from 263 GWh in July), consistent with lower overall balancing volumes across the month. Skipped volumes fell for both batteries and CCGTs in August — battery skipped volumes declined 17% (from 166 GWh to 137 GWh) and CCGT skipped volumes fell 23% (from 37 GWh to 28 GWh). Skipped volumes fell for both batteries and CCGTs in August, largely in line with lower dispatch volumes. The battery technology-specific skip rate edged down from 44% to 41%, while the CCGT skip rate reduced from 29% to 28%.

July and August skip rates remained broadly stable at approximately 39% to 40%, with the more challenging balancing conditions seen in earlier months beginning to ease. Overall balancing volumes reduced between July and August, with in-merit volume falling from 615 GWh to 537 GWh, and skipped volume also declining from 241 GWh to 214 GWh. Battery dispatch efficiency showed early signs of improvement, with the technology-specific skip rate reduced from 44% to

41% — suggesting that as the fleet continues to grow and operational experience deepens, the coordination between battery scheduling and real-time dispatch is becoming more effective. Pumped Storage saw increased participation in balancing actions, with in-merit volume rising from 48 GWh to 58 GWh, though skipped volume also grew.



The combined technology-specific skip rate has continued to trend down for most technology types between August 2025 and August 2026. Battery — which carried the largest skipped volume at 83 GWh in August 2025 — has seen its skip rate hold broadly flat at approximately 42%, consistent with the pattern observed in the July year-on-year comparison. Battery in-merit volume grew significantly from 196 GWh in August 2025 to 330 GWh in August 2026 (+68%), with skipped volume rising proportionally from 83 GWh to 137 GWh. CCGT, the second-largest contributor to skipped volume at 79 GWh in August 2025, has held its skip rate broadly steady at approximately 28% to 29%, while skipped volume has fallen substantially from 79 GWh to 28 GWh — reflecting a significant reduction in CCGT's contribution to overall skipped and in-merit volume. Pumped Storage saw its in-merit volume triple from 19 GWh to 58 GWh; its skip rate moved from

47% to 55% (+8pp) as the expanded participation has outpaced dispatch efficiency gains. Wind has improved from 42% to approximately 30% (-12pp), and Gas from 50% to approximately 40% (-11pp), although both operate at small volumes. Biomass has held steady at approximately 30% to 31%, though its in-merit volume reduced significantly from 87 GWh to 14 GWh, with skipped volume falling from 26 GWh to 4 GWh.

Conclusion

Across technology categories, the month-on-month picture between July and August 2026 shows continued progress in several areas. Battery — the largest contributor to skipped volume — saw its skip rate improve from approximately 44% in July to 41% in August (-3pp), with skipped volume falling from 166 GWh to 137 GWh as in-merit volume reduced from 374 GWh to 330 GWh. This marks a positive shift from the flat year-on-year trajectory and points to growing dispatch efficiency within the battery fleet. Gas improved from 47% to 40% (-7pp), OCGT from 49% to 34% (-15pp), and Solar from 35% to 18% (-17pp) — although volumes remain small. CCGT held broadly steady, edging from 26% to 28% (+2pp), with skipped volume continuing to fall (37 GWh to 28 GWh). Pumped Storage saw its skip rate rise from 49% to 55% (+6pp) as in-merit volume expanded from 48 GWh to 58 GWh and skipped volume grew from 23 GWh to 32 GWh. Wind moved from 20% to 30% (+10pp), though volumes remain modest (3.5 GWh skipped in August). Overall, the improvement in Battery — the dominant source of skipped volume — is the most encouraging development, while a reasonable proportion of Pumped Storage skipped volume is inaccessible due to units being in either spin gen or spin pump modes.

Note: In the technology specific skip rate graph 'Gas' refers to gas reciprocating units, which are typically small, aggregated units. 'Load Response' is based on the fuel type category used by Elexon. These are typically Demand Side Flexibility (DSF) units. We have published a dedicated dataset to report skip rates for DSF units and incorporated this into our external dashboard.

The commentary below explains the change in bids and offers by technology type between the last two months.

Please visit our website for the latest skip rates dashboard.

Bid

The Bid skip rate held broadly stable from July (~40%) to August (~41%), while skipped volume reduced from 156 GWh to approximately 142 GWh. CCGTs accounted for a similar proportion of skipped volume in August (~4%) compared to July (~5%), though the technology-specific skip rate increased slightly from 28% to 30%. Batteries continued to account for the largest share of skipped volume, with a relative-technology skip rate of ~29% in August, broadly in line with July (~30%). The battery technology-specific skip rate improved from 44% to 41% (-3pp). Battery bid in-merit volume eased from ~263 GWh to ~241 GWh, while skipped volume also fell from ~116 GWh to ~100 GWh — a proportionally larger reduction, driving the rate improvement.

Battery technology continued to dominate bid skipped volume throughout August, with its technology-specific skip rate varying from 28% (week of 29 August) to 46% (week of 22 August) — a narrower range than July's 34% to 55%. CCGT skip rates showed a wider spread, from 14% (week of 29 August) to 48% (week of 8 August).

Offers

The offer skip rate held steady at approximately 38% from July to August, with both in-merit volume and skipped volume declining in broadly similar proportions — in-merit volume fell from 226 GWh to 187 GWh (-17%) while skipped volume reduced from 85 GWh to 72 GWh (-15%). CCGTs accounted for a similar proportion of skipped volume in August (~8%) as in July (~8%), though the technology-specific skip rate edged up from 24% to 26%. Batteries accounted for a slightly lower proportion of skipped volume in August (~20%) compared to July (~22%), and the technology-specific skip rate improved from 45% to 41% (-4pp). This was driven by in-merit volume reducing from 111 GWh to 88 GWh while skipped volume fell by a larger proportion (50 GWh to 37 GWh). Offer skip rates in August 2026 remained at the same level as July, with lower energy balancing requirements continuing to compress both in-merit and skipped volumes. The battery technology-specific improvement suggests that the fleet's offer-side dispatch efficiency is continuing to mature despite the lower overall activity levels.

5. Security of Supply

Under NESO1 (April 2026 to March 2028), we publish security of supply as a Reported Metric to provide clear, accessible transparency on system security outcomes and trends over time. Reporting focuses on frequency and voltage excursions, the drivers behind them, and the actions we are taking to manage and mitigate risks to secure operation.

This Reported Metric shows when the frequency of the electricity transmission system deviates more than ± 0.3Hz away from 50Hz for more than 60 seconds, and where voltages are outside statutory limits. On a monthly basis we report instances where:

- The frequency is more than ± 0.5Hz away from 50Hz for more than 60 seconds.
- The frequency was 0.3Hz - 0.5Hz away from 50Hz for more than 60 seconds.
- There is a voltage excursion outside statutory limits. For nominal voltages of 132kV and above, a voltage excursion is defined as the voltage being more than 10% away from the nominal voltage for more than 15 minutes, although a stricter limit of 5% is applied for where voltages exceed 400kV.

Excursion events are categorised as Secured and Unsecured under SQSS:

Secured under SQSS:	Excursions resulting from events that the GB transmission system is secured against, i.e., voltage and frequency expected to remain within statutory and licence obligations.
Unsecured under SQSS	Excursions resulting from exceptional or catastrophic system contingencies, such as simultaneous or cascading trips and events caused by natural disasters, catastrophic infrastructure failures, among others causes that are explicitly outside the SQSS security criteria where system operation outside statutory and licence obligations is not preventable or secured for.

For context, the Frequency Risk and Control Report 2025 defines the appropriate balance between cost and risk, and sets out tabulated risks of frequency deviation as below:

Scenario	120 GVA.s	102 GVA.s
49.5 Hz event	3.48 times per year	3.49 times per year
49.2 Hz event	1-in-10.71 years	1-in-10.70 years
48.8 Hz event	1-in-27.94 years	1-in-27.87 years
50.5 Hz event	1-in-88.21 years	1-in-88.28 years

Also, for additional context here is the figures from the Frequency Risk and Control Report 2024:

Scenario	140 GVA.s	120 GVA.s	110 GVA.s	102 GVA.s
49.2 Hz event	1-in-27 years	1-in-27 years	1-in-27 years	1-in-27 years
48.8 Hz event	1-in-30 years	1-in-30 years	1-in-30 years	1-in-30 years

At the end of each year, we report on compliance with frequency control methodology and plans for any future changes to the methodology.

August 2026-27 performance

Table: Frequency and voltage excursions (2026-27)

		2026-27											
		Apr	May	Jun+	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Frequency excursions (more than 0.5 Hz away from 50 Hz for over 60 seconds)	Secured under SQSS	0	0	-	0	0							
	Unsecured under SQSS	0	0	-	0	0							
Instances where frequency was 0.3 – 0.5 Hz away from 50Hz for over 60 seconds*		0	1	-	0	0							
Voltage Excursions defined as per Transmission Performance Report2F.[3]	Secured under SQSS	0	0	-	0	0							
	Unsecured under SQSS	0	0	-	0	0							

*These frequency excursions do not fall under the statutory and licence reporting obligations but are provided for transparency.

+June data will be published on completion of Eversheds Sutherland International investigation.

Supporting information

No reportable voltage or frequency excursions during August.

[3] https://www.neso.energy/industry-information/industry-data-and-reports/system-performance-reports

6. CNI Outages

Under NESO1 (April 2026 to March 2028), we publish CNI outages as a Reported Metric to provide clear, accessible transparency on service availability outcomes and trends over time. This reporting supports our focus on whole system resilience by helping stakeholders understand the number, duration and drivers of planned and unplanned outages, alongside the actions we are taking to reduce outage risk and improve resilience.

This Reported Metric shows the number and length of planned and unplanned outages to Critical National Infrastructure (CNI) IT systems.

The term 'outage' is defined as the total loss of a system, which means the entire operational system is unavailable to all internal and external users.

August 2026-27 performance

Table: 2026-27 Unplanned CNI System Outages (Number and length of each outage)

	2026-27											
Unplanned	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Balancing Mechanism (BM)	0	0	0	0	1 outage 125 mins							
Integrated Energy Management System (IEMS)	0	0	0	0	0							

Table: 2026-27 Planned CNI System Outages (Number and length of each outage)

	2026-27											
Planned	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Balancing Mechanism (BM)	0	0	1 outage 115 mins	1 outage 206 mins	0							
Integrated Energy Management System (IEMS)	0	0	0	0	0							

Supporting information

In August 2026 there was one unplanned CNI system outage.

The outage occurred on 6 August and was an unintended consequence of a related, planned IT activity.

The impact was limited to NESO users and had no impact upon external parties.

There were no other unplanned outages during August.

There were no planned outages during August.

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