Public

2026/ 27 Ad Hoc C9 Consultation - Report

A report on the Ad Hoc revisions to the ABSVD Methodology

October 2026

NESO
National Energy System Operator

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1. Executive summary

In accordance with Standard Licence Condition C9 Part I[1] of the Electricity System Operator Licence (ESO Licence), the National Energy System Operator (NESO) has undertaken a review of the C9 licence statements. The licence condition requires NESO to keep the C9 statements under review and promptly update whenever a change is needed to more accurately reflect the intentions and methodologies of NESO.

This "ad hoc" review on changes is taking place out of the annual C9 review process as NESO has identified changes to one of the Balancing Service Statements which need to take effect prior to April 2027.

This report has been produced[2], following industry consultation to accompany final published changes to the ABSVD Statement and to record the outcomes of our industry engagement.

Whilst there are five statements that form part of Condition C9, only the below was open for review and change during this consultation process:

1) Applicable Balancing Services Volume Data (ABSVD) Methodology Statement - Details of the proposed changes can be found in the individual statement section within this document and the ABSVD Methodology Statement.

The amendments proposed to the ABSVD Methodology Statement were:

- Amending ABSVD volume calculation to reflect DFS Settled volume rather than Delivered Volume
- Update to ABSVD submission for Quick and Slow Reserve

In this document we are confirming the amendments to the ABSVD Methodology Statement to accommodate changes to the Balancing Services[3] we intend to procure from 01 November 2026. This report outlines the changes to the 2026-2027 ABSVD C9 statement, following industry engagement and is supported by the highlighted change statement[4] and the **Appendix** to this document, which outlines the industry feedback and NESO's response.

[1] Condition C9: Condition C9 Procurement and use of Balancing Services. Further details of the C9 Licence condition can be found within the ESO Licence Conditions, on Ofgem's licence webpage.
[2] References to the Authority throughout this document is to the Office of Gas and Electricity Markets (Ofgem).
[3] Balancing Services as defined by the ESO Licence. Further details of the C9 Licence condition can be found within the ESO Licence Conditions, on Ofgem's licence webpage.
[4] The highlighted change document was published as part of the consultation: https://www.neso.energy/document/387076/download

It should be noted that the annual, or ad hoc, reviews of the C9 statements are not the primary forum for the development of new balancing services. They will be created and consulted upon in a separate process specific to each balancing service (Electricity Balancing Regulation (EBR) Article 18 consultation), and any subsequent changes to the statements will reflect new products as required.

The current versions of the C9 statements, tracked change documents, consultations, non-confidential industry responses and this report will be published on our C9 Webpage: C9 statements and consultations | National Energy System Operator.

If you have any questions about this document, please contact

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Yours faithfully,

Holly MacDonald

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2. Licence Condition C9 process overview

Actions completed to date

In accordance with Standard Condition C9 of the Electricity System Operator (ESO) Licence, NESO concluded its annual review of all licence statements earlier in 2026. The report detailing the proposed changes to the Statement was submitted to the Authority on 13 February 2026. These updated Statements became effective 01 April 2026[5].

As a result of further changes identified following further review carried out by NESO an additional 'ad hoc' consultation was published.

Consultation

NESO published the ad hoc consultation, in accordance with C9.27(a), outlining the changes proposed and providing an updated highlighted change version of the statement as part of the C9 Licence Condition. This provided industry with the opportunity to review recommended text changes in the statement and provide feedback.

The ad hoc consultation[6], ran for 28 days, from 15 September 2026 to 13 October 2026. We made industry aware of the consultation through the Operational Transparency Forum[7] and Industry newsletters through this period.

One response was received from industry to the ad hoc consultation. NESO reviewed the industry response and considered whether any amendments were required. As no concerns were raised regarding the proposed changes, NESO can confirm the revisions will proceed without further amendment. NESO will respond in full to the wider questions raised in the response which are out of scope for the consultation itself.

Next steps and go-live

The final step in this review process is for NESO to publish the changes to the ABSVD Statement and reflect industry feedback as per licence conditions C9.28 and C9.29. The revised statement is published on the NESO C9 webpage[8] and the industry feedback is reflected in the **Appendix** to this document. Both documents are effective 01 November 2026 as per the timeline communicated in the consultation.

[5] Current C9 Statements: C9 statements and consultations | National Energy System Operator
[6] 2026/27 Ad Hoc C9 Consultation Document
[7] Operational Transparency Forum (OTF) slide 7 16 September 2026. Repeated at OTFs until the close of the consultation: https://www.neso.energy/document/387201/download
[8] C9 Current statements and guidelines: Latest versions: C9 statements and consultations | National Energy System Operator

Following changes to the ESO licence, effective April 2026, there is no longer a requirement for NESO to submit a report to the Authority and go-live pending that. Once a consultation has closed, within a month, the final position on the proposed changes, along with the tracked changed versions of the statements will go-live. If appropriate, NESO will also produce and publish a report that transparently sets out all industry feedback received, together with NESO's position on each point raised.

The Authority may, where it considers it necessary, direct NESO to review or change one or more of the C9 statements in the manner and timeframes specified in the relevant direction letter.

3. Overview of changes to the Applicable Balancing Services Volume Data (ABSVD) Methodology Statement (2026-2027)

Below is a summary of the services that are being updated as part of this ad hoc consultation.

Change ID	Page number	Change summary	Rationale
ABSVD.01	10,11,16,17	Demand Flexibility Service volumes– 'Delivered' replaced with 'Settled'.	ABSVD volume calculation will more accurately reflect the impact of DFS actions and the DFS settled volume, as we believe this is the volume the provider is actually delivering in DFS.
ABSVD.02	10, 16,17	Addition of Quick and Slow Reserve Services (through DNO voltage control).	The update describes the methodology for apportioning of Balancing service delivery volume from DNOs participating in Balancing Services through voltage control.

Industry responses

NESO received one response to the ad hoc consultation presenting changes to the ABSVD Methodology Statement. This response did not raise any concerns with the changes proposed and is summarised in the **Appendix**. The respondent did raise other questions generally about the methodology, which we consider out of scope for this report, but will respond to. NESO is therefore publishing the revised ABSVD Methodology Statement as per the consultation with no further changes.

Change summary

Please see the tracked change document for the ABSVD Methodology Statement for full detail of the final proposed changes. This is stored within the folder "**C9 Consultations, 2026-2027 ad hoc consultation**" which can be located on the **C9 webpage[9].**

The key amendments proposed to the ABSVD Methodology Statement are detailed in **The Appendix.**

[9] C9 statements and consultations | National Energy System Operator

4. Next Steps

Following the close of the industry consultation, NESO presents the revised ABSVD C9 statement supporting the changes outlined in this report, with no changes following consultation. These changes will take effect on 01 November 2026.

NESO looks forward to industry engagement during the next Annual C9 Review Process and will publish a timetable for engagement and publications for this soon.

5. Appendix

The following table presents a comprehensive overview of all proposed changes detailed in the highlighted change statement, along with justifications for the suggested revisions.

The table also covers the industry feedback to each change.

Table 1 - ABSVD final proposed revisions and feedback

Change ID	Page number	Change summary	Rationale	Change ID	Industry feedback
ABSVD.01	10,11,16,17	Demand Flexibility Service volumes– 'Delivered' replaced with 'Settled'.	ABSVD volume calculation will more accurately reflect the impact of DFS actions and the DFS settled volume, as we believe this is the volume the provider is actually delivering in DFS.	ABSVD.01	One response supporting the change as it will deliver better accuracy
ABSVD.02	10, 16,17	Addition of Quick and Slow Reserve Services (through DNO voltage control).	The update describes the methodology for apportioning of Balancing service delivery volume from DNOs participating in Balancing Services through voltage control.	ABSVD.02	One response with no strong views on the proposal