Public

NESO Operational Transparency Forum

25 November 2026

Slido code #OTF

Welcome to the Operational Transparency Forum!

You are in listen-only mode with your camera turned off.

Live Captioning Available. To enable live captions in Microsoft Teams:

- Click on the 3 dots icon / 'More'
- Click 'Turn on live captions'



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Key Points

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- **Ask Questions and give feedback:** Use **Sli.do event code #OTF.**
- **Submit early:** Ask questions early to give our experts time to answer.
- **No Edits:** Don't edit questions after submission; submit a new question, if needed.
- **Identify Yourself:** Provide your name or organization. Anonymous questions won't be answered live**.** If you have reasons to remain anonymous to the wider forum, please use the advance question or email options below.
- **Report Concerns:** Report concerns to the Market Monitoring team at marketreporting@neso.energy**.**
- **Question Order:** Questions are answered in upvoted order. Some may be taken away or answered later.
- **Sli.do Open:** Sli.do remains open **until 12:00** for maximum question opportunities. After that please use the advance questions or email options below.
- **Q&A:** All questions are recorded & published. Unanswered questions will be included in the next slide pack.
- **Ask questions anytime** whether for inclusion in the forum or individual response through our Advance Questions form or at: box.nc.customer@neso.energy.
- **Stay Updated:** Visit our webpage at: https://www.neso.energy/what-we-do/systems-operations/operational-transparency-forum for updates and previous OTF material.

Note: To access previous OTF webinars from Slido, click on the three lines to the left of forum title.

Focus Topics

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Today

- Balancing Costs: October costs

Future

- 2 December
  - Annual Balancing Cost Report
- 16 December
  - Balancing Costs: November costs



If you have questions/suggestions of areas to cover during above presentations or ideas for focus topics you would like us to consider, please send them to us at: box.nc.customer@neso.energy

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External Whistleblower investigation

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- Eversheds Sutherland International have published their findings following their independent investigation into allegations raised about operational decision-making and record-keeping at NESO.
- The Investigation found no evidence to substantiate the core allegations, finding no evidence of inappropriate influence over operational decisions and no evidence that control room records were altered, managed or concealed, including to avoid public scrutiny.
- The report did identify areas for potential improvement, particularly in how colleagues can raise concerns, how those concerns are heard and how feedback is provided. NESO has accepted the recommendations in full and will take them forward.
- Full details of this report are published on NESO's website here - https://www.neso.energy/news/independent-investigation-concludes-allegations-against-neso-were-unsubstantiated

Ofgem's Operational Review

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- Separate to the independent investigation by Eversheds Sutherland International, the regulator Ofgem is conducting a separate post-event review of the incidents of system stress during extreme heat across the week commencing 22 June.
- Ofgem have published a preliminary report setting out the evidence reviewed and the chronology or the period considered by the review.
- Details of this preliminary report are published here - https://www.neso.energy/document/388826/download
- The preliminary report does not contain conclusions, recommendations or lessons learned.
- The review remains ongoing, with final conclusions, recommendations and lessons learned due to be set out in a final report by Ofgem.
- The Focus Topic on margins during the week commencing 22 June will be delayed until this Ofgem commissioned review concludes.

NESO Data Portal upgrade

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Planned for February 2027

Subject to final readiness checks.

What's improving

- Faster API queries and full-dataset downloads.
- A more reliable service and clearer dataset information.
- More download formats and better support for larger datasets.

Questions

box.dataproducts@neso.energy

No action needed yet

Website users can continue as usual.

API and automated access

Existing read integrations will work at launch. The current Datastore read API stays available for a 3-month transition.

Before the current API retires

We'll share V2 Datastore API guidance, testing instructions and the transition timetable, with time to test and support available.

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Reserve and Dynamic Response

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Article 18 Consultation now launched

We are delighted to have launched our combined Reserve and Dynamic Response Article 18 consultation. The consultation will be open until **8 January 2027.**

All consultation and supporting documents are published on our new combined Response and Reserve webpage.

Included in our pack is a Consultation Overview recording, giving details on the structure of the consultation and guidance on how to respond.

Join us for dedicated sessions on each part of the consultation and to ask any questions:

Sign up on our events page.

26 November, 1pm to 2pm: Drop-in session on proposed changes to the Dynamic Response Services: Tiered Performance Regime and Unit Suspension

1 December, 1pm to 2pm: Webinar on Locational Procurement for Response and Reserve

9 December, 2pm to 3pm: Drop-in session on proposed changes to the Reserve Service Terms following Ofgem's approval of Grid Code modification GC0166

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CMP398: GC0156 Cost Recovery mechanism for CUSC Parties

CMP398: GC0156 Cost Recovery mechanism for CUSC Parties

The final claims window opens on the 1st December for CUSC parties to submit a claim to recover costs incurred in relation to making sites compliant with GC0156

The claims window runs for the month of December, and all parties are asked to submit their claims along with supporting information to the commercial operations.box no later than COB on 31st December 2026.

Guidance on the claims process can be found on the NESO website https://www.neso.energy/document/308401/download

Commercial operations email address:

commercial.operation@neso.energy

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Dispatch Transparency Programme webinar

Join us for the latest **Dispatch Transparency Programme webinar**, where we'll share updates on current and upcoming developments aimed at improving transparency around dispatch and skip rates.

When: 26th November 2026
Time: 13:30-14:30

Agenda:

- Wider programme updates, including GC0166 and Storage Behind Constraints.
- Demo of the new Skips Behind Constraints dashboard.
- Update on proposed changes to the Skip Rate methodology.
- Opportunity to provide feedback on a potential future 'commitment skips' calculation.
- High Skip Rates: Context and Key Drivers

Register here: [Dispatch Transparency Programme Webinar]

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Storage Behind Constraints Consultation

Consultation Period: 29 Oct – 26 Nov 2026

Have your say on the future treatment of storage behind active transmission constraints.

Our consultation sets out the issue under consideration, the shortlisted options and the evidence gathered to date. We are seeking stakeholder views to help inform our assessment and any future proposals.

We welcome responses from storage operators, generators, suppliers, aggregators, trade associations and other interested stakeholders.

Scan the QR code/select the link to :

- Visit the Storage Behind Constraints webpage
- Read the consultation document
- Submit your response

Storage Behind Constraints Consultation

Information can be found at the bottom of the page

Consultation Period:
29 Oct – 26 Nov 2026

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Future Event Summary

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Event	Date & Time	Link
Storage Behind Constraints Consultation	29 October – 26 November	Submit Response
Dynamic Response – Consultation Drop-in Session	26 November (13:00-14:00)	Register here
Dispatch Transparency Programme: Webinar	26 November (13:30-14:30)	Register here
Locational Procurement – Consultation Webinar	1 December (13:00-14:00)	Register here
Reserve GC0166 updates – Consultation Drop-in Session	9 December (14:00-15:00)	Register here

Check out the NESO Events Calendar for more...

24 Nov – Electricity Margin Notice

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Issue Date/Time	Issue No.	Active Period	Shortfall	Constraints	Contingency
23/11/26 21:45	Issue 1	24/11/26 13:00 to 20:00	1150MW	5100MW	1000MW
24/11/26 10:35	Issue 2	24/11/26 15:00 to 20:00	800MW	6900MW	480MW
24/11/26 14:!5	Cancellation	24/11/26 15:00 to 20:00	n/a	n/a	n/a

Status at First Issue

Net interconnector position was **3.3GW export**

French strike action confirmed

Wind output ~16GW

1500MW of standard trades available

Only additional 300MW available at initial request

Further 400MW was achieved for later

Outcome

Sufficient actions were available to resolve margin in real time and no emergency actions were required

Actions and Market Response

Additional trade capacity requested from European TSOs

Connected TSOs approached to confirm availability of Emergency Assistance, if required (not used in the end)

Some transmission reconfiguration reduced constraints

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Update: Interconnector restriction notice

Interconnector the restriction will continue until long term solution is in place. The link below has the details:

Interconnector Requirement and Auction Summary Data | National Energy System Operator

In case of any questions/ feedback, please reach out to: trading@neso.energy

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Monthly Balancing Cost Deep Dive

October 2026

Cost and Operational Insights Team



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National Energy System Operator

Monthly Cost Summary

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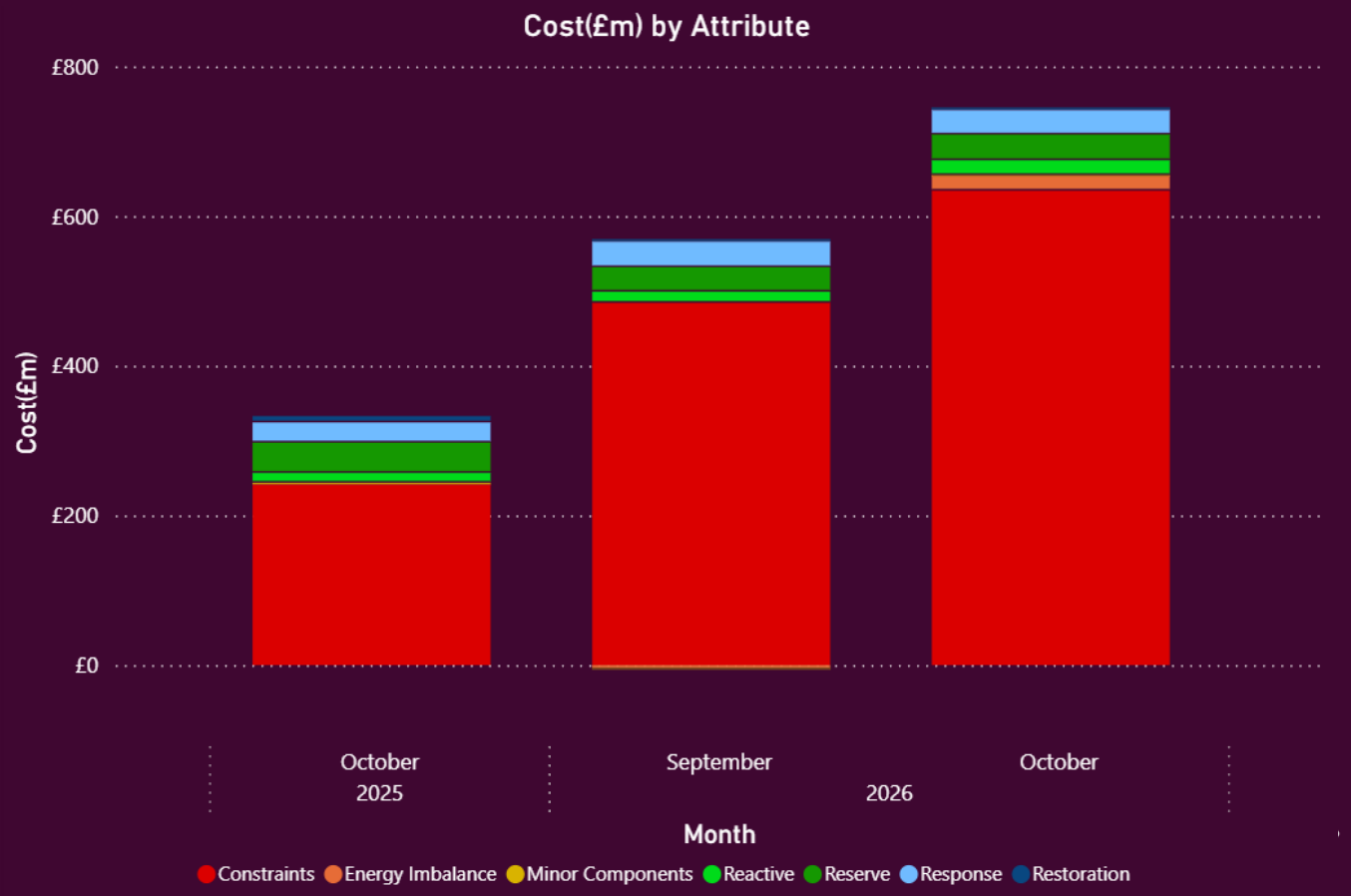
Balancing costs in October 2026 were £745m.

This was an increase of £180m since September and £412m from October 2025.

Wind outturn increased to **6.7 TWh** in October, from **6.0 TWh** in September, despite constrained wind volumes rising from **1.8 TWh to 2.0 TWh**.

Non-constraint costs increased by **£30m compared with September 2026** and **£20m compared with October 2025**, largely driven by higher energy imbalance costs as more actions were required due to the wholesale market being short throughout the month.

The volume of actions increased around 20% whilst total costs increased 32% Month on Month due to the higher gas prices seen in October.



Voltage: £6.0m ↑ **Thermal: £136.9m** ↑ **Inertia: £2.3m** ↑

The figures represent the monthly costs; the arrows indicate the change compared to the previous month.

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Public

Wind Conditions

Monthly wind curtailment %:

23%

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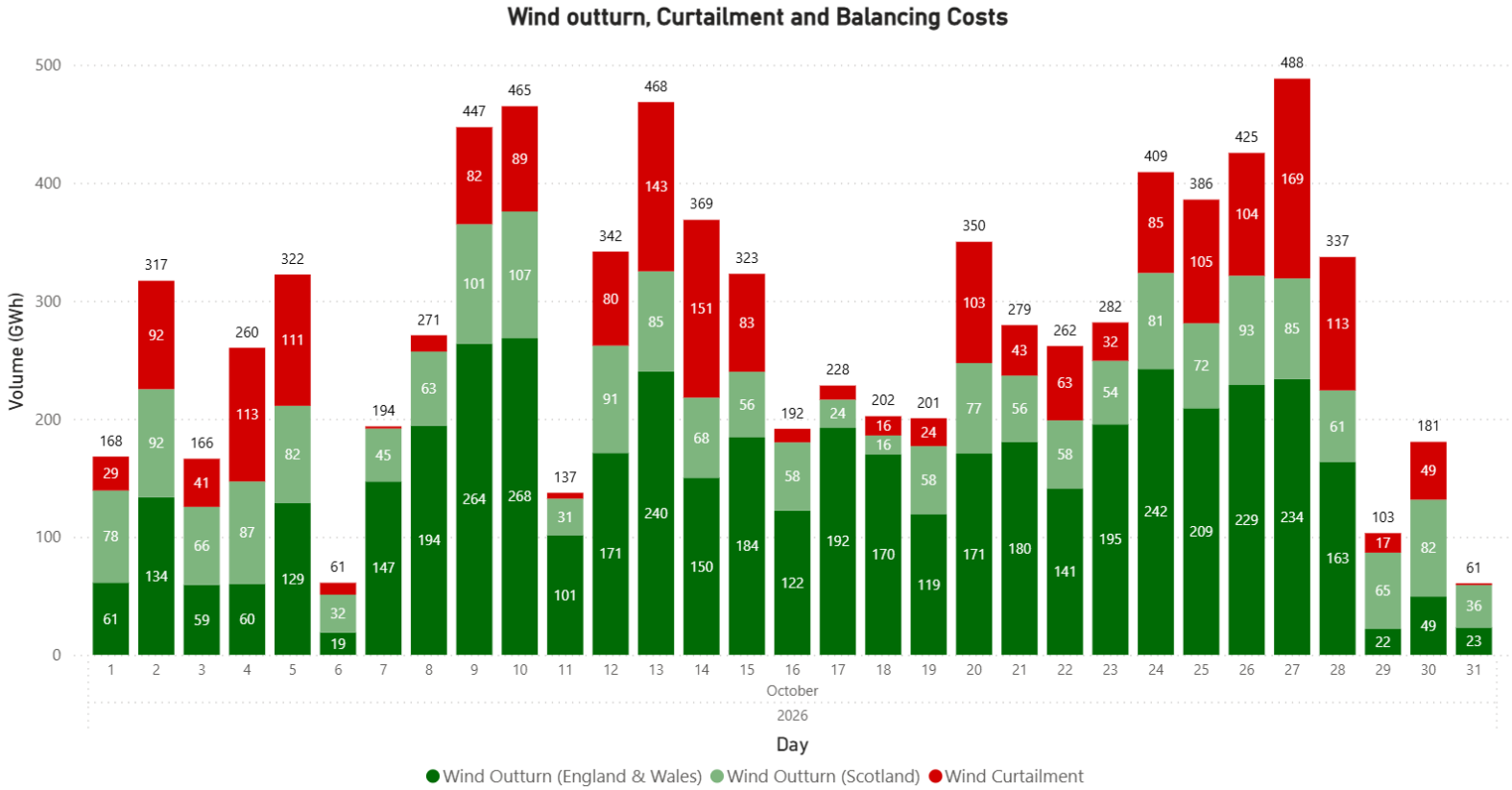
Overall wind outturn increased to 6.7 TWh from 6.0 TWh in September.

There was an 8.4% decrease in Scottish outturn (from 2.25 TWh to 2.0TWh) and a 22% increase in England and Wales outturn (from 3.8TWh to 4.6 TWh).

Record levels of wind curtailment at 2 TWh occurred in October, a 160 GWh increase from September.

The highest volume wind curtailment days were:
- 27th October (169GWh) –Highest cost day
- 14th October (151GWh) – Second highest cost day
- 13th October (143GWh) – Third highest cost day

	Total	England & Wales	Scotland
Wind Outturn (GWh)	**6703**	**4644**	**2059**
Wind Curtailment (GWh)*	**1992**	**66**	**1926**

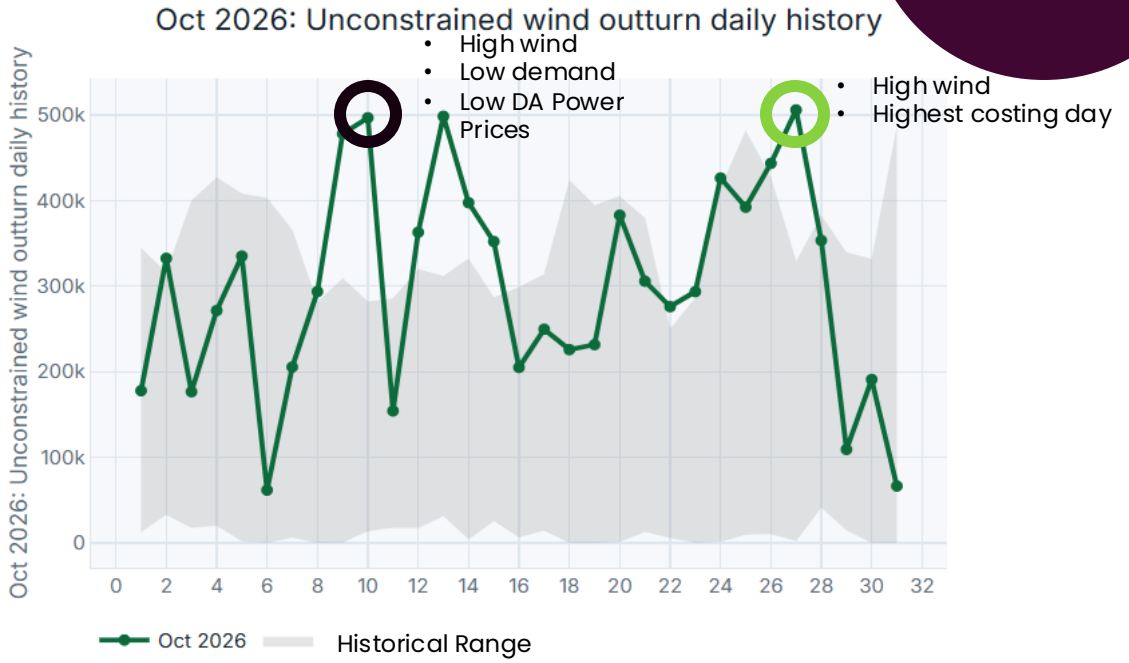


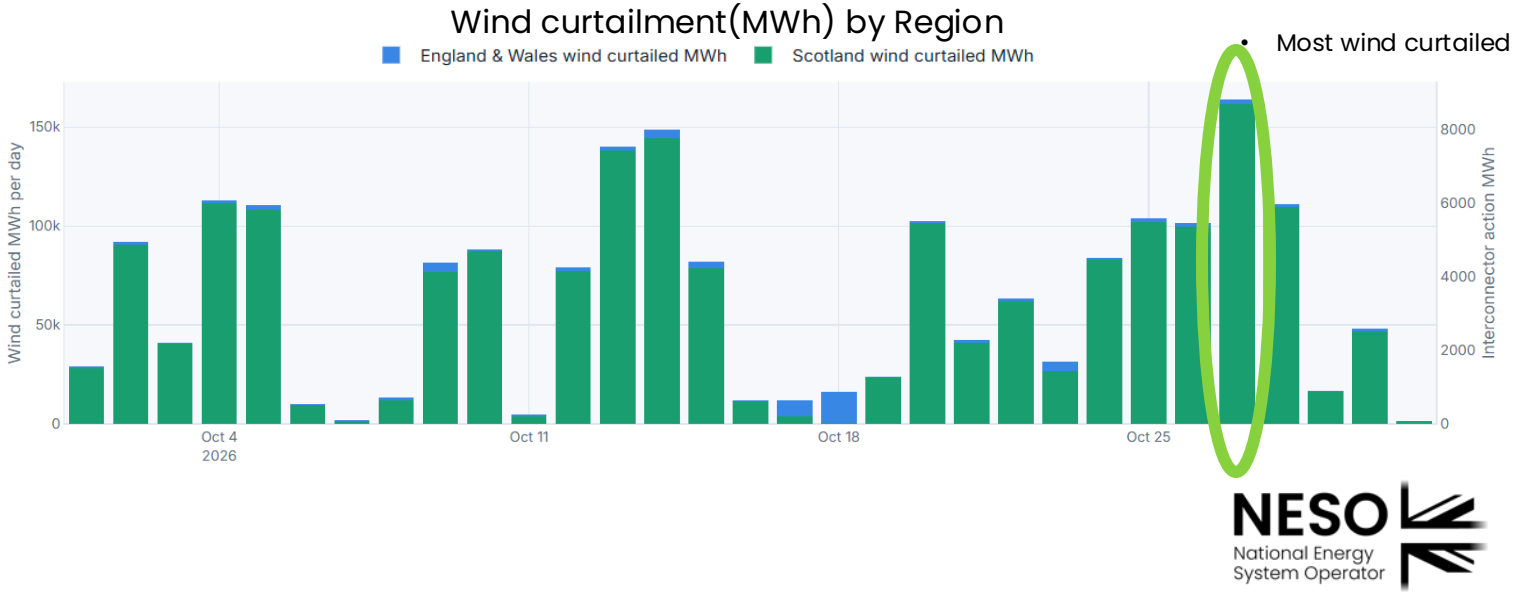
*These figures may not match exactly due to data categorisation.

High wind conditions contributed to higher curtailment

Several days in October recorded new outturn records for the time of year based on historical highs.

When **high wind output coincides with lower demand**, network constraints can limit how much electricity can be transferred. This can increase costs as wind generation is curtailed and **replacement energy is required elsewhere on the system**.



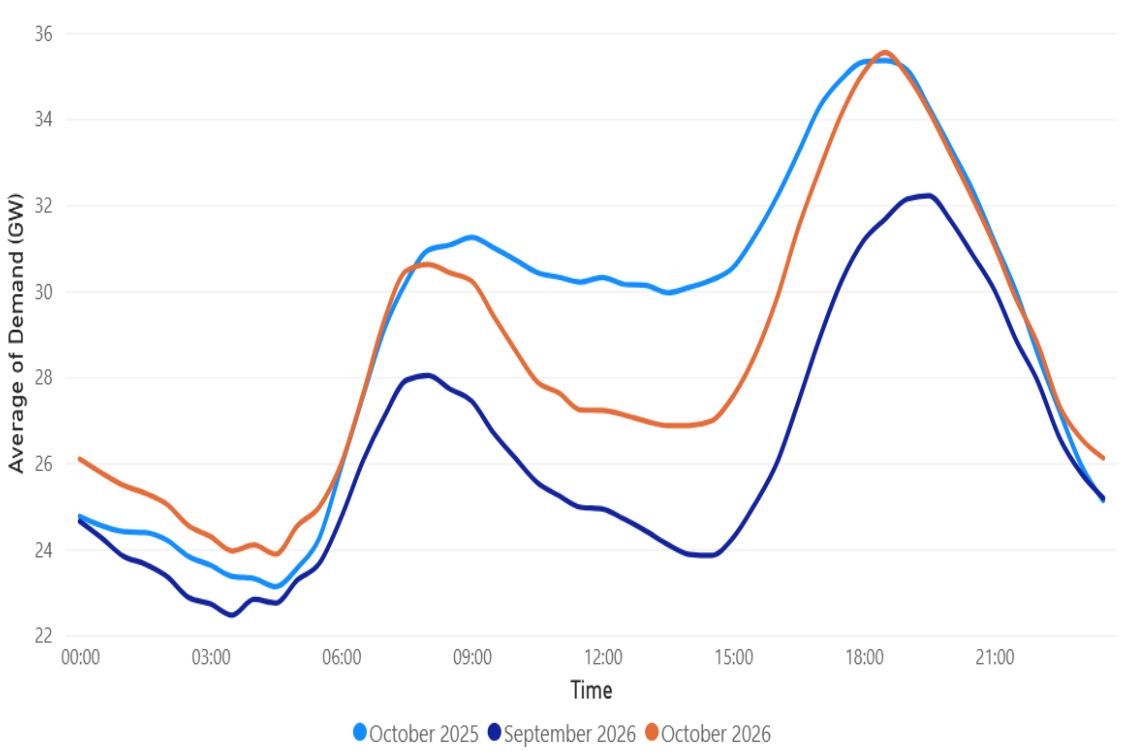


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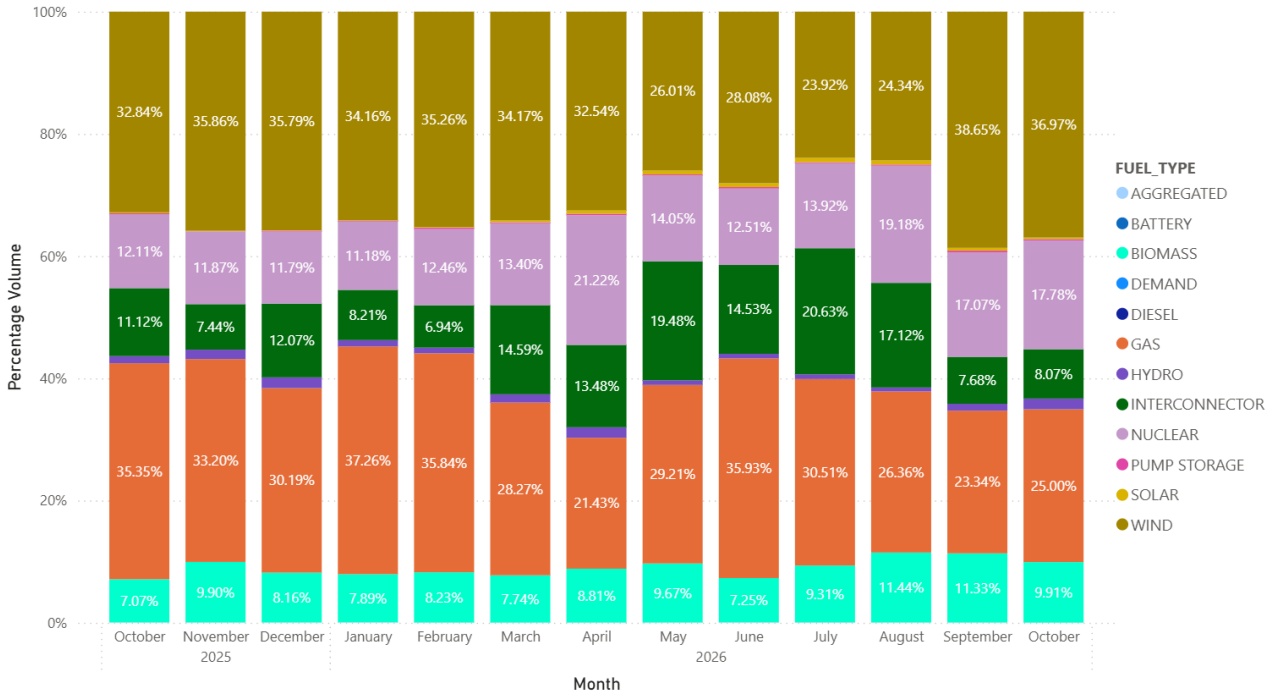
System Conditions

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Average Transmission System Demand (GW)



Generation Mix by Fuel Type



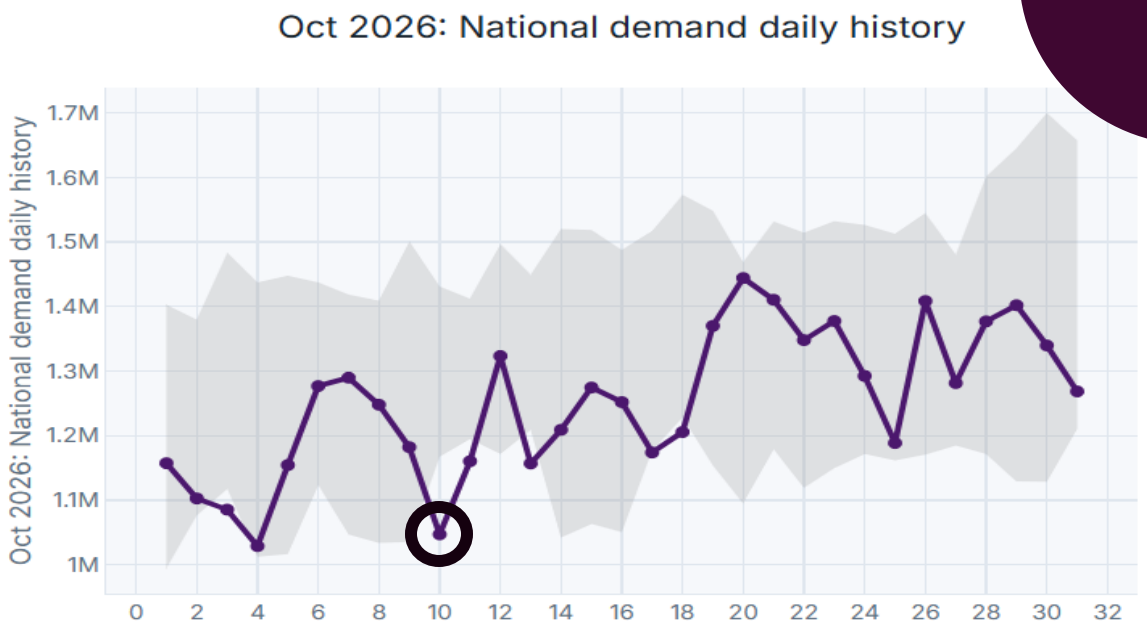
Low demand coincided with high wholesale prices

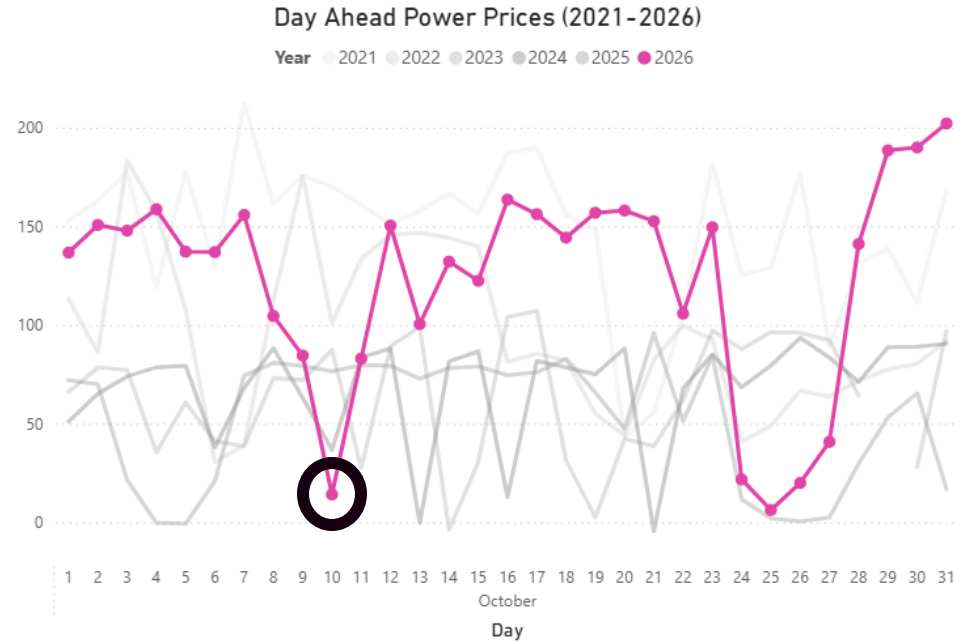
Demand remained seasonally low throughout October, sitting towards the lower end of the historical range for much of the month

Lower demand reduces the volume of higher-cost generation required to meet electricity needs, placing downward pressure on day-ahead prices. This effect can be particularly pronounced during periods of high renewable output, when abundant low-cost generation coincides with limited demand.

Low day-ahead prices create incentive to export electricity to Europe. However, For most of the month day ahead prices were higher than recent years and close to levels seen in 2021.

Despite this, for much of the month day ahead power prices remained elevated, comparable to 2021 and 2022 levels.



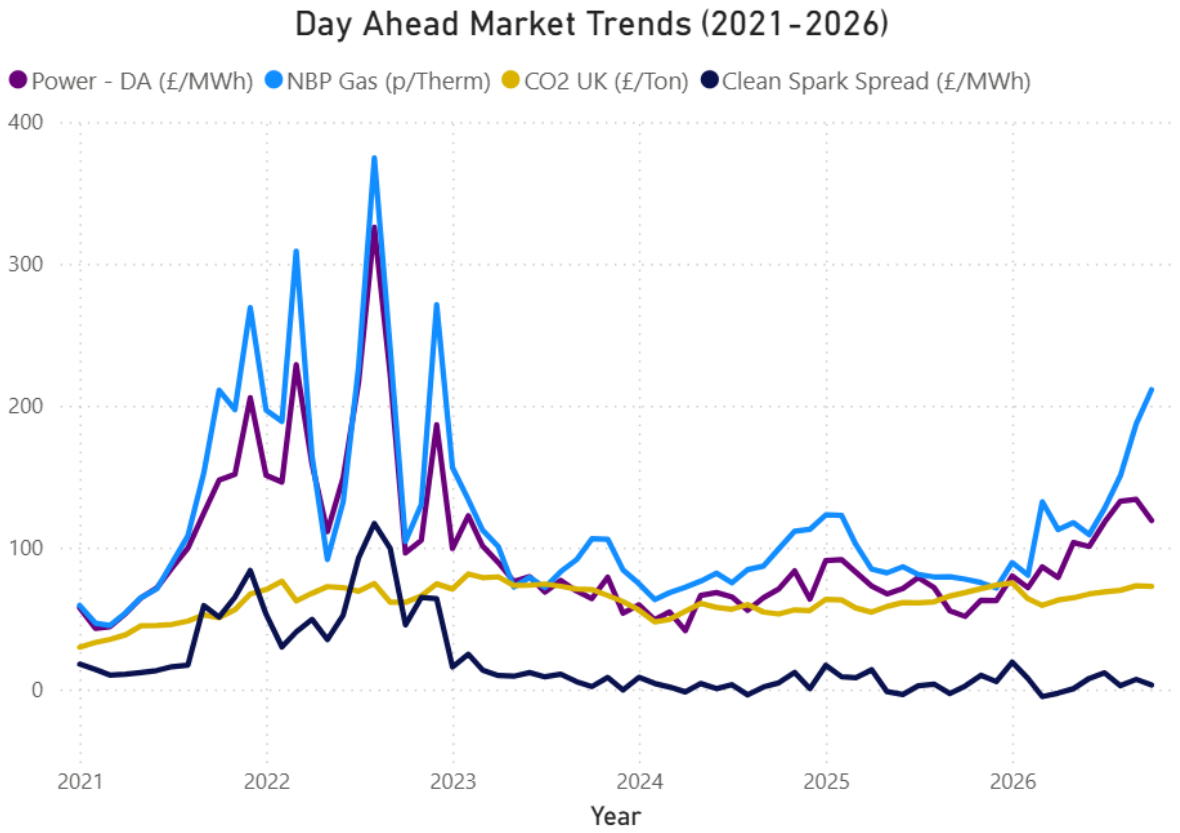


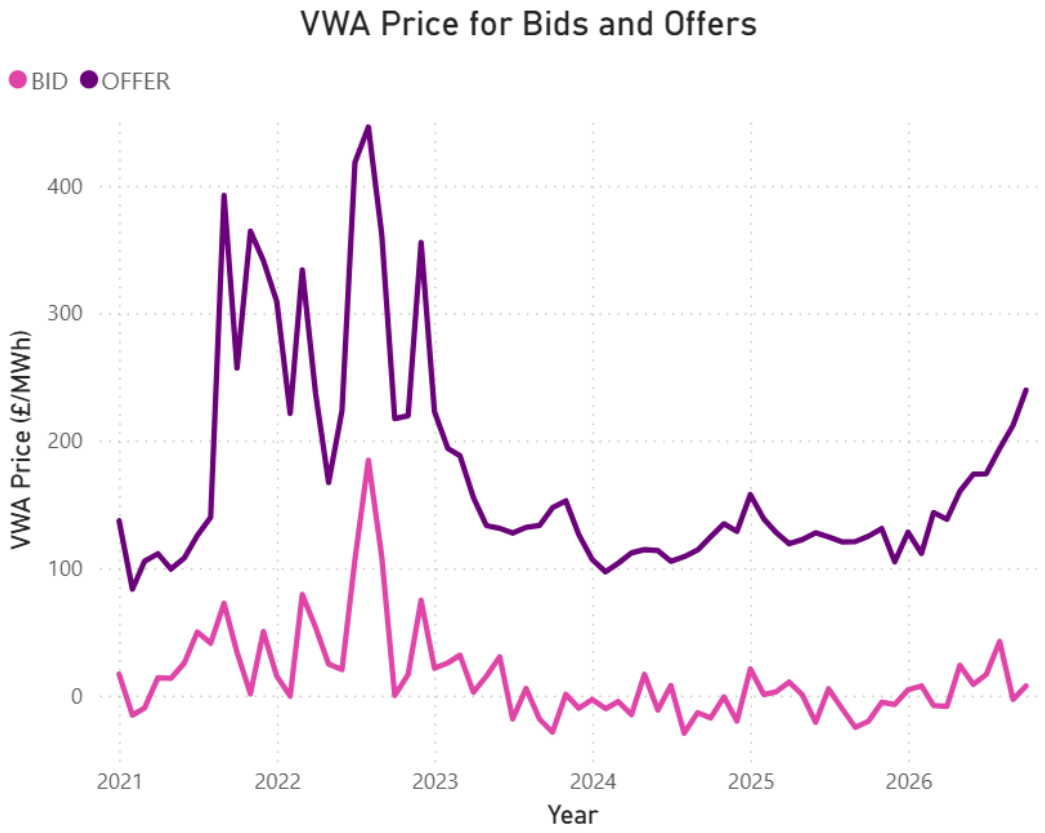
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Market Conditions

	DA Power Price	VWA offer price	VWA bid price
M-o-m change	-£14/MWh	+£18/MWh	+£10/MWh
Y-o-y	+£68/MWh	+£115/MWh	+£27/MWh



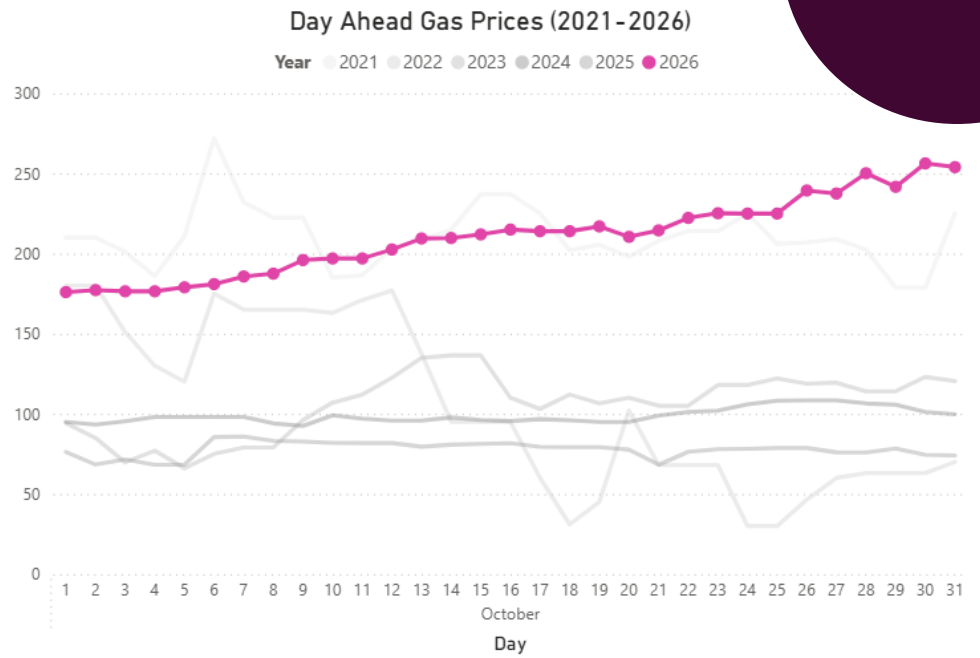


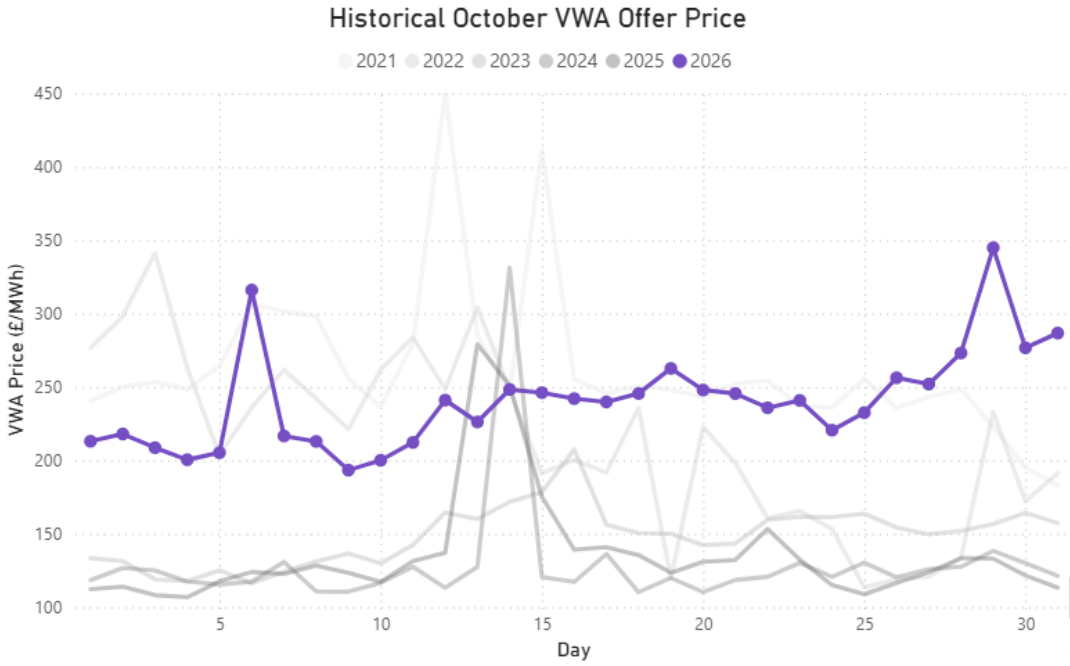
Higher gas prices contributed to higher offer prices

Day-ahead **gas** prices increased through October, raising the underlying cost of gas-fired generation.

As gas-fired units accounted for the majority of replacement energy actions in the Balancing Mechanism, higher fuel costs contributed to higher volume-weighted average offer prices than in most recent years.

As curtailment volumes increase, more replacement energy is required further down the network. This replacement energy becomes progressively more expensive as higher-priced offers are accepted through the BM merit order, making costs increasingly sensitive to wholesale gas prices.





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Planned network upgrades reduced transfer capacity and increased curtailment

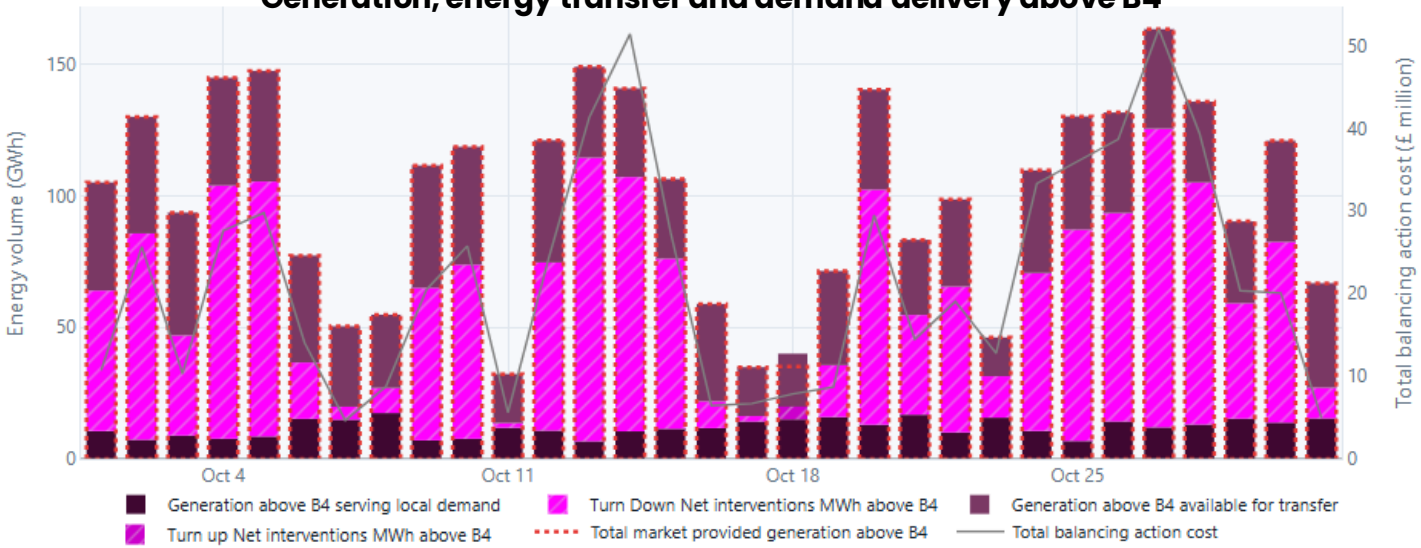
Planned outages associated with major transmission upgrades reduced capacity across the B2, B4 and B6 boundaries, making outages some of the main drivers of October's constraint costs with two mentioned below:

1. Tealing-Kincardine uprating (TKUP) – Multiyear project
   Outages across B4 from July through December
2. East Coast Upgrade (ECUP) – Multiyear project
   Outages across B6 from September through to October

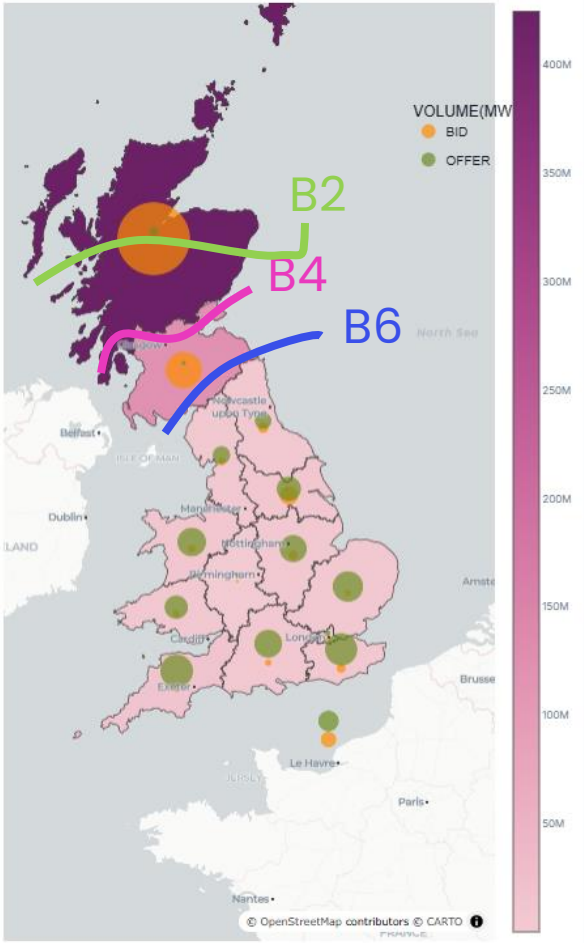
These outages temporarily reduced the amount of electricity that could be transferred south, increasing the volume of generation that needed to be curtailed. Once complete, the projects will strengthen the transmission network, increase transfer capacity and help reduce congestion and constraint costs.

NESO and industry are currently progressing a range of initiatives aimed at increasing network capacity, including making best use of the existing network. Information on work underway to address thermal constraints can be found in our Thermal Constraints Update Report

Generation, energy transfer and demand delivery above B4



System Cost (Shaded) and Action Volume (Bubbles) by GSP



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Daily Costs and Volumes

The highest-cost day of the month was 27 October, with balancing costs of approximately £54m.

- High wind generation required substantial volumes of wind to be curtailed and replaced with expensive gas generation further south in GB, while significant interconnector trades were required to manage constraints in England and Wales.
- £52m related to constraint management. Around 74% of constraint costs were associated with constraints North of B6

Daily average cost was £24m, approximately a £17m increase on the previous month.

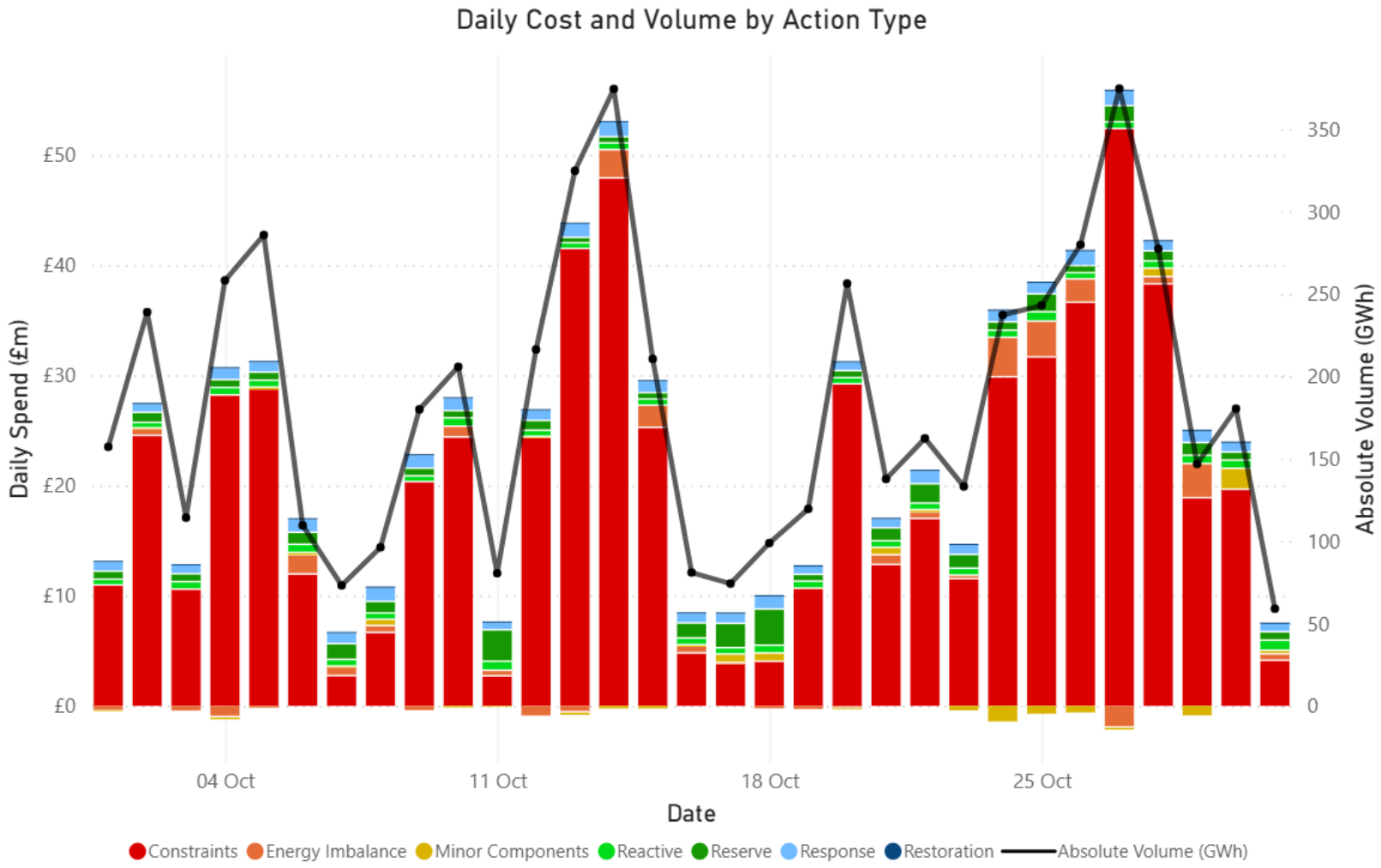
Key trends from previous month:

	Constraint	Non-constraint
Cost	↑ +31%	↑ +38%
Volume	↑ +21%	↑ +11%

Daily average cost:

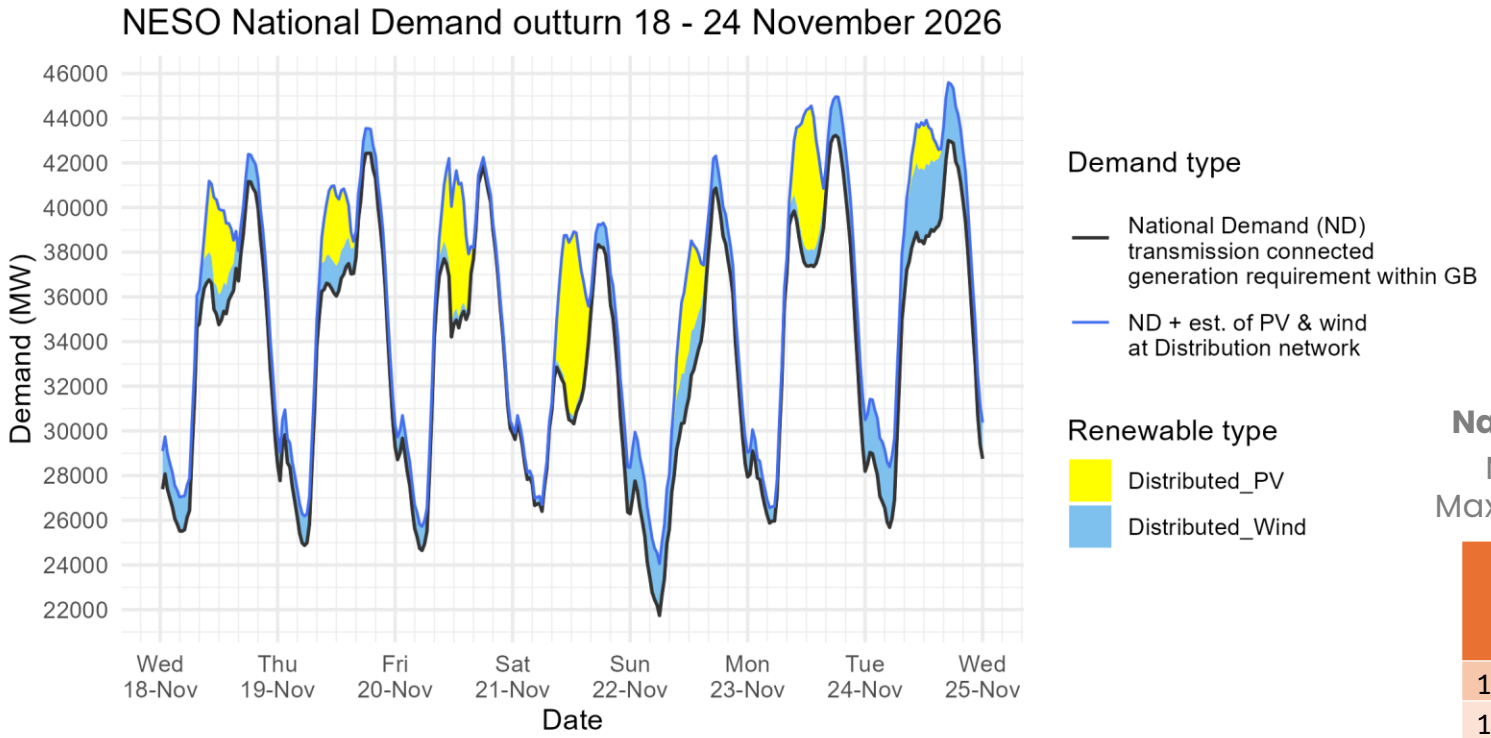
£24.0m

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Demand | Last week demand out-turn

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Distributed generation

Peak values by day

Date	OUTTURN	
	Daily Max Dist. PV (GW)	Daily Max Dist. Wind (GW)
18 Nov 2026	3.8	1.7
19 Nov 2026	3.4	1.4
20 Nov 2026	6.2	1.1
21 Nov 2026	8.3	2.1
22 Nov 2026	4.2	2.5
23 Nov 2026	6.4	2.3
24 Nov 2026	2.0	3.3

National Demand

Minimum and Maximum Demands

Date	Forecasting Point	FORECAST (Wed 18 Nov)		OUTTURN	
		National Demand (GW)	Dist. wind (GW)	National Demand (GW)	Dist. wind (GW)
18 Nov 2026	Evening Peak	41.1	1.5	41.2	1.2
19 Nov 2026	Overnight Min	24.5	1.4	24.9	1.3
19 Nov 2026	Evening Peak	41.3	1.3	42.4	1.1
20 Nov 2026	Overnight Min	25.2	1.1	24.6	1.1
20 Nov 2026	Evening Peak	41.5	0.6	41.9	0.4
21 Nov 2026	Overnight Min	25.5	0.4	26.4	0.3
21 Nov 2026	Evening Peak	38.3	1.8	38.3	0.9
22 Nov 2026	Overnight Min	22.3	2.9	21.7	2.3
22 Nov 2026	Evening Peak	39.4	2.1	40.9	1.4
23 Nov 2026	Overnight Min	24.4	1.3	25.9	0.7
23 Nov 2026	Evening Peak	41.8	1.9	43.2	1.7
24 Nov 2026	Overnight Min	23.9	2.5	25.7	2.7
24 Nov 2026	Evening Peak	41.0	2.5	43.0	2.6

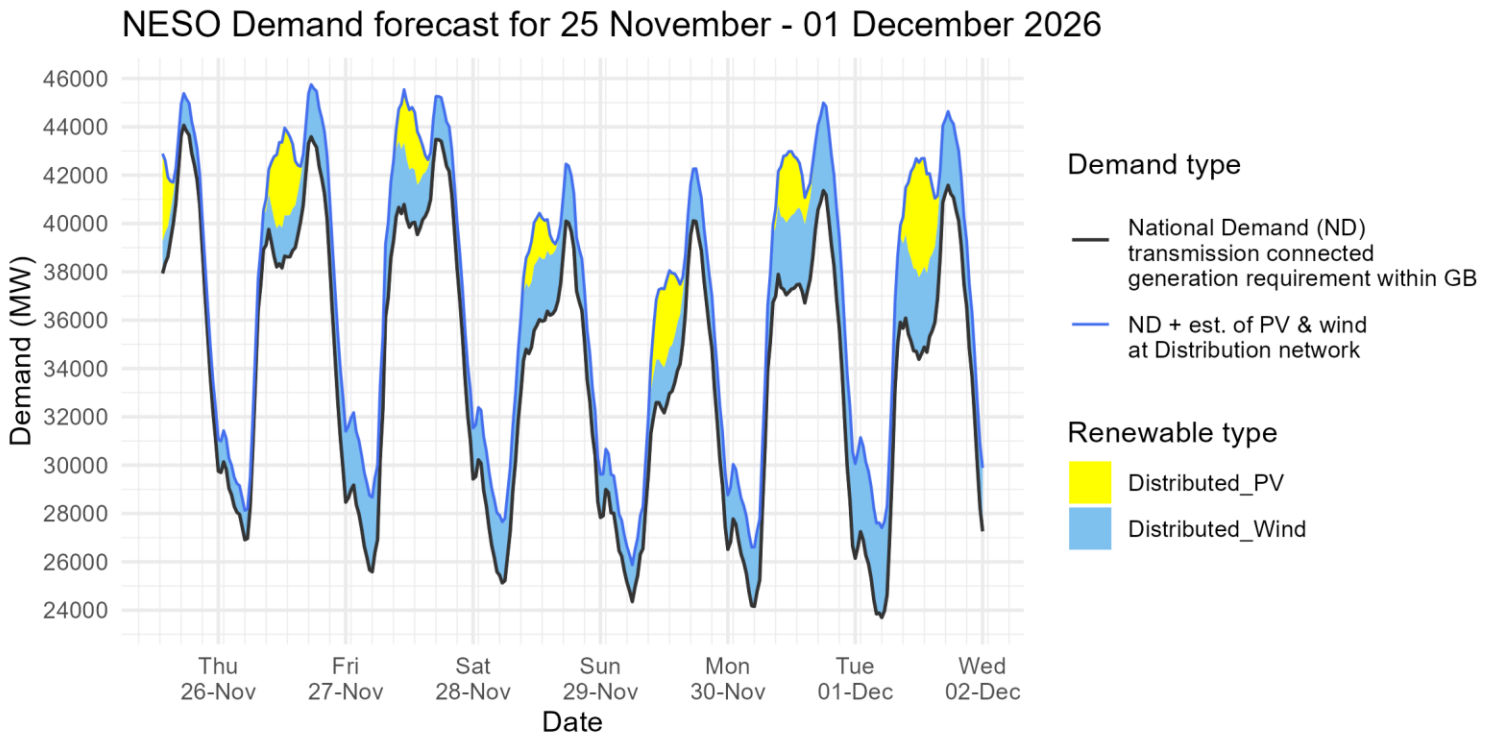
The black line (National Demand ND) is the measure of portion of total GB customer demand that is supplied by the transmission network.
ND values do not include export on interconnectors or pumping or station load

Blue line serves as a proxy for total GB customer demand. It includes demand supplied by the distributed wind and solar sources, but it does not include demand supplied by non-weather driven sources at the distributed network for which NESO has no real time data.

Historic out-turn data can be found on the NESO Data Portal in the following data sets: Historic Demand Data & Demand Data Update

From March to September, the table will display overnight minimum (between 00:00 and 07:30) and daytime minimum (between 07:30 and 16:30) as well as an additional column: distributed PV.

Demand | Week Ahead



National Demand

Minimum and Maximum Demands

		FORECAST (Wed 25 Nov)	
Date	Forecasting Point	National Demand (GW)	Dist. wind (GW)
25 Nov 2026	Evening Peak	44.1	1.3
26 Nov 2026	Overnight Min	26.9	1.2
26 Nov 2026	Evening Peak	43.6	2.2
27 Nov 2026	Overnight Min	25.6	3.1
27 Nov 2026	Evening Peak	43.5	1.8
28 Nov 2026	Overnight Min	25.1	2.5
28 Nov 2026	Evening Peak	40.1	2.4
29 Nov 2026	Overnight Min	24.4	1.5
29 Nov 2026	Evening Peak	40.1	2.1
30 Nov 2026	Overnight Min	24.2	2.5
30 Nov 2026	Evening Peak	41.4	3.6
01 Dec 2026	Overnight Min	23.7	3.7
01 Dec 2026	Evening Peak	41.6	3.1

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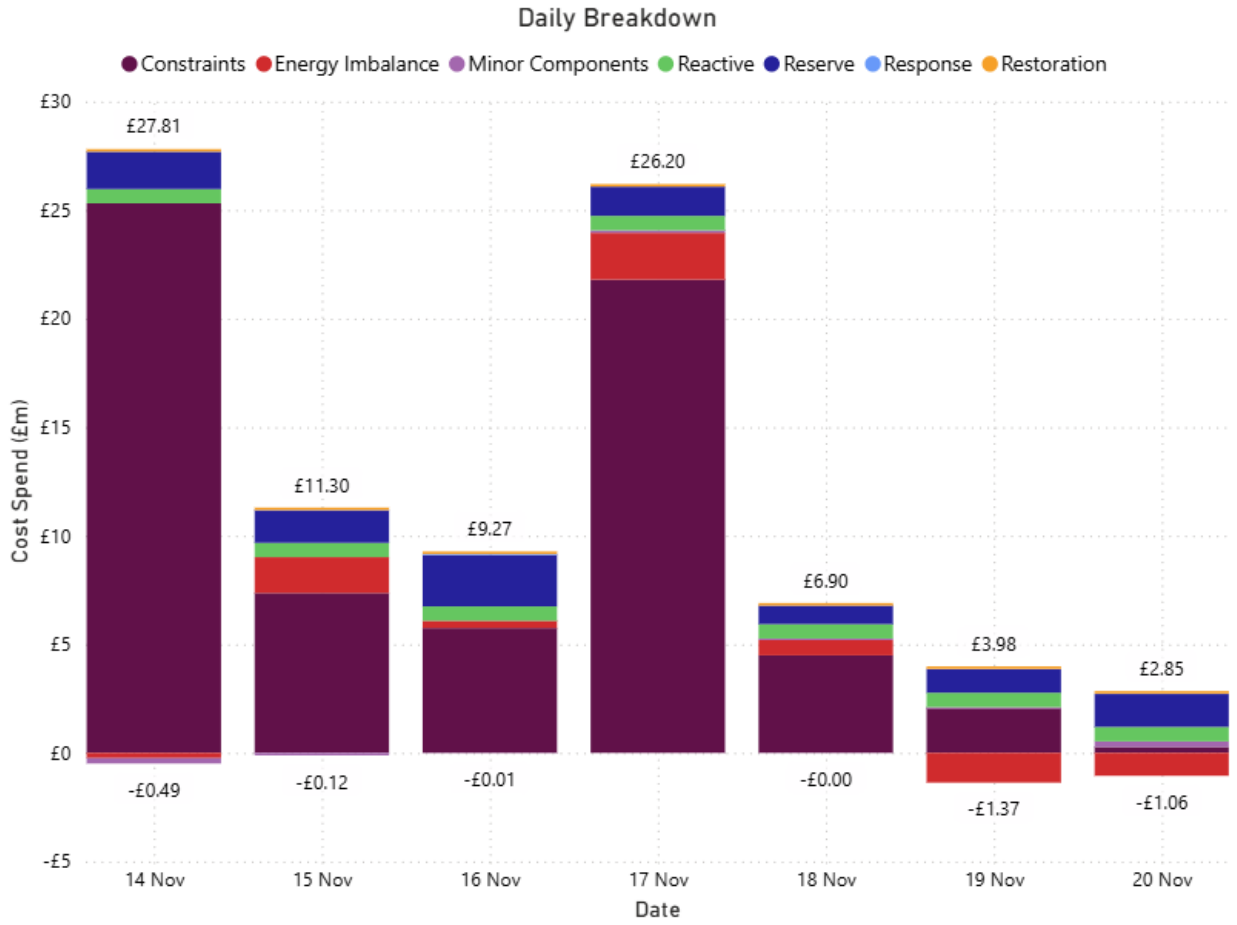
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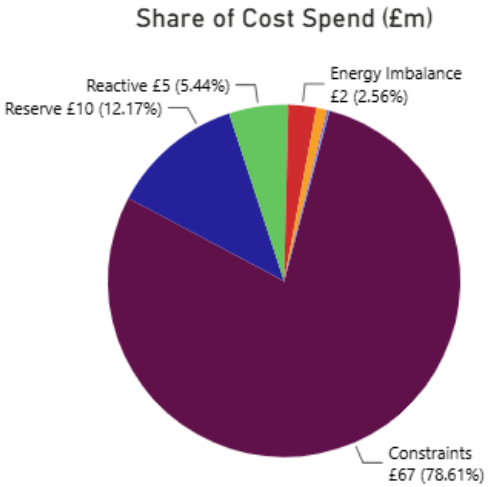
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NESO Actions | Category Cost Breakdown

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Current Week Total (£m)	Average Daily Cost (£m)
£85.26	£12.18
Previous Week Total (£m)	**Previous 30 Day Average (£m)**
£103.24	£21.34



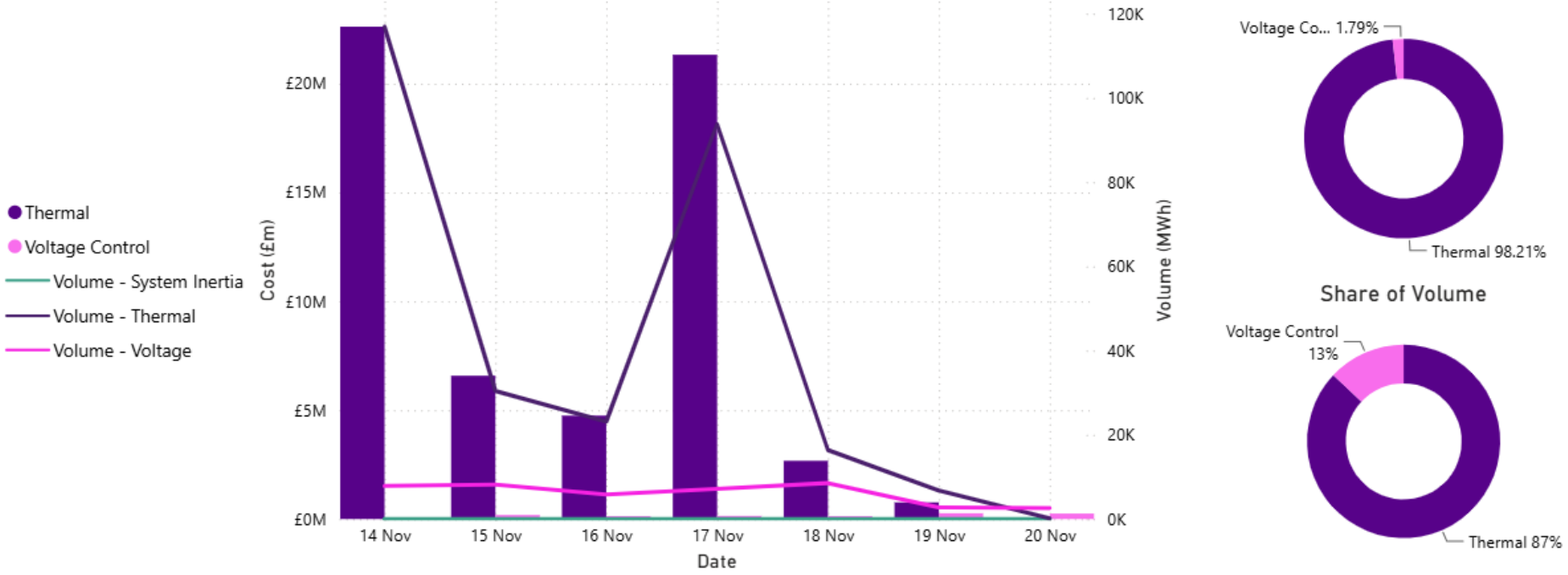
For more info on constraint costs, and the steps NESO is taking with industry partners to address them, please see our Balancing Costs website.

Contact us on box.nc.customer@neso.energy

NESO Actions | Constraint Cost Breakdown

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Thermal Constraints		Voltage Constraints		System Inertia	
Costs (£)	Volume (MWh)	Costs (£)	Volume (MWh)	Costs (£)	Volume (MWh)
£65.59M	288K	£1.20M	43K	--	--



Note: Volume is reported as an absolute figure.

Contact us on box.nc.customer@neso.energy

NESO Actions | Settlement Periods of Interest

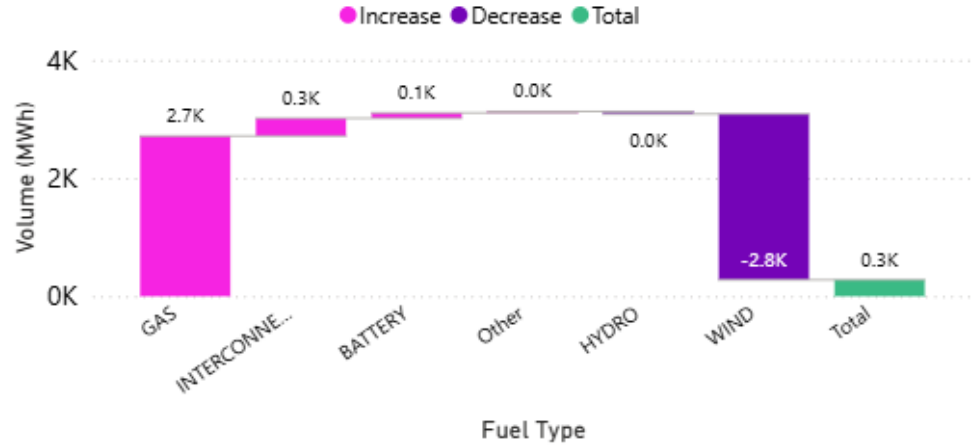
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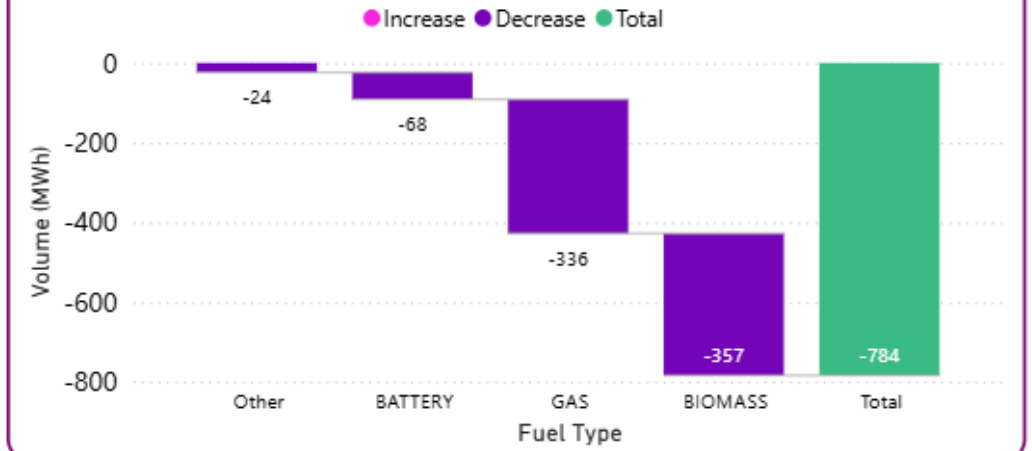
Highest Costing Settlement Period

Settlement Date	Settlement Period	Approximate Cost
17/11/2026	16	£770K

Lowest Costing Settlement Period

Settlement Date	Settlement Period	Approximate Cost
20/11/2026	24	-£100K





Volume shown here is the net volume of actions taken, showing overall increase or decrease in generation from BM units of these fuel types.

Contact us on box.nc.customer@neso.energy

NESO National Energy System Operator

NESO Actions | Settlement Periods of Interest

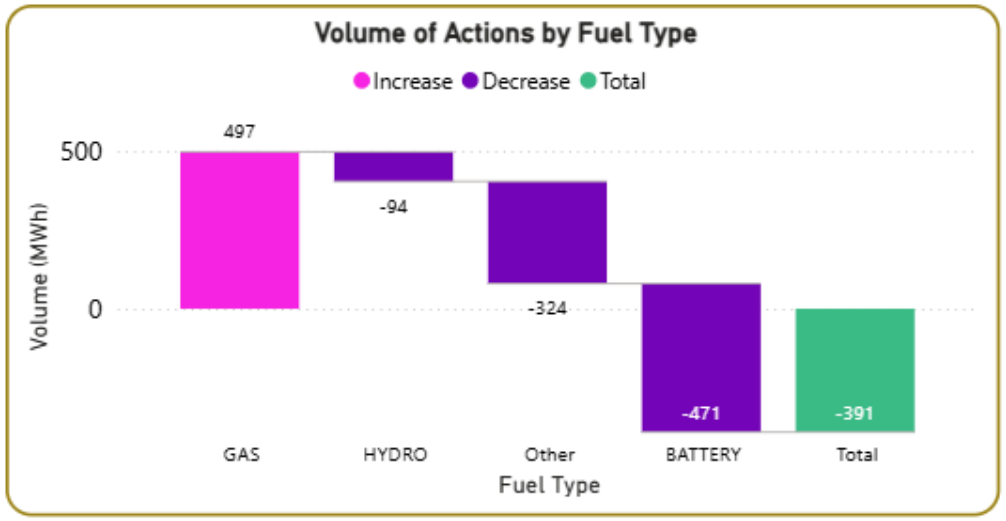
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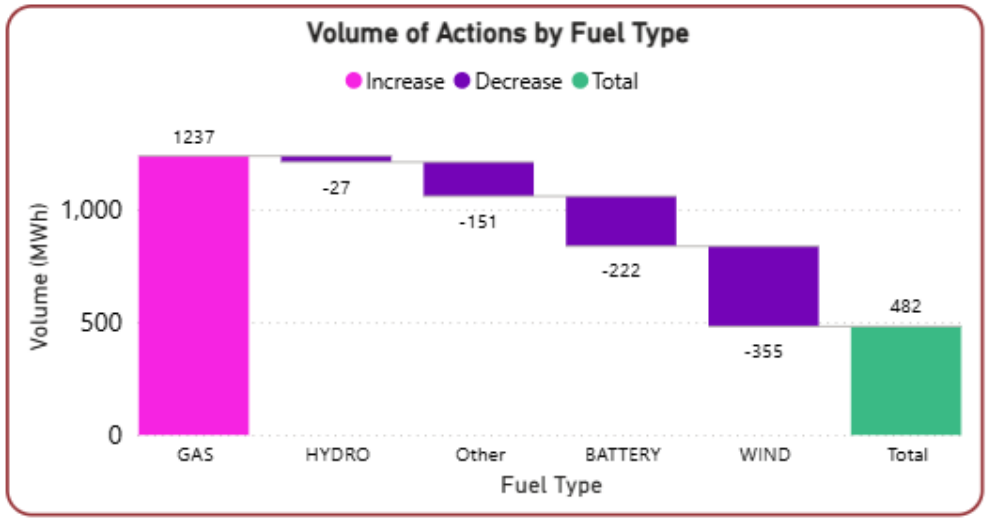
Highest Demand Period

Settlement Date	Settlement Period
16/11/2026	35
Demand (MW)	**Approximate Cost**
44K	£70K

Minimum Demand Period

Settlement Date	Settlement Period
15/11/2026	12
Demand (MW)	**Approximate Cost**
26K	£229K





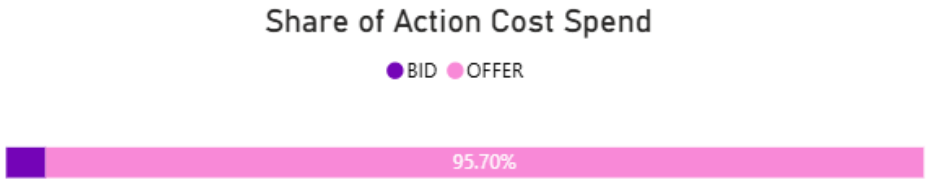
Volume shown here is the net volume of actions taken, showing overall increase or decrease in generation from BM units of these fuel types.

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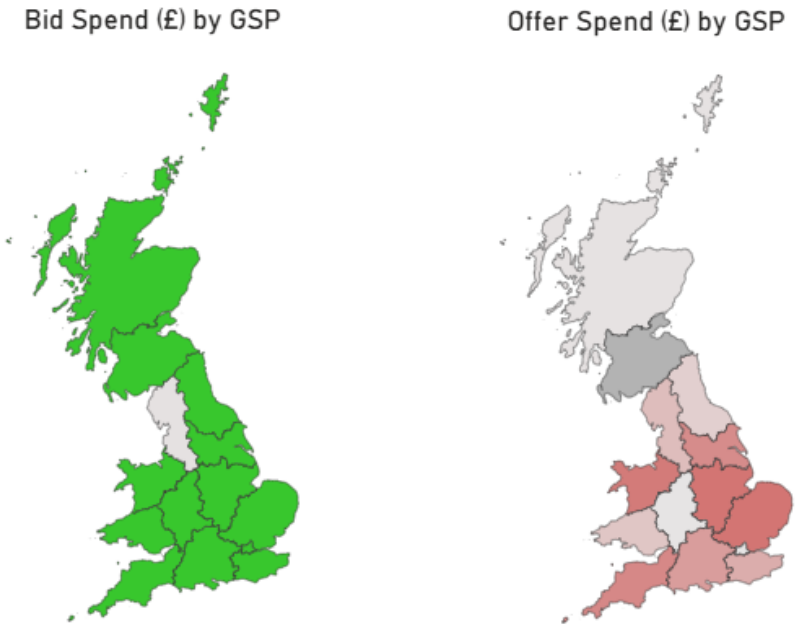
NESO National Energy System Operator

Slido code #OTF

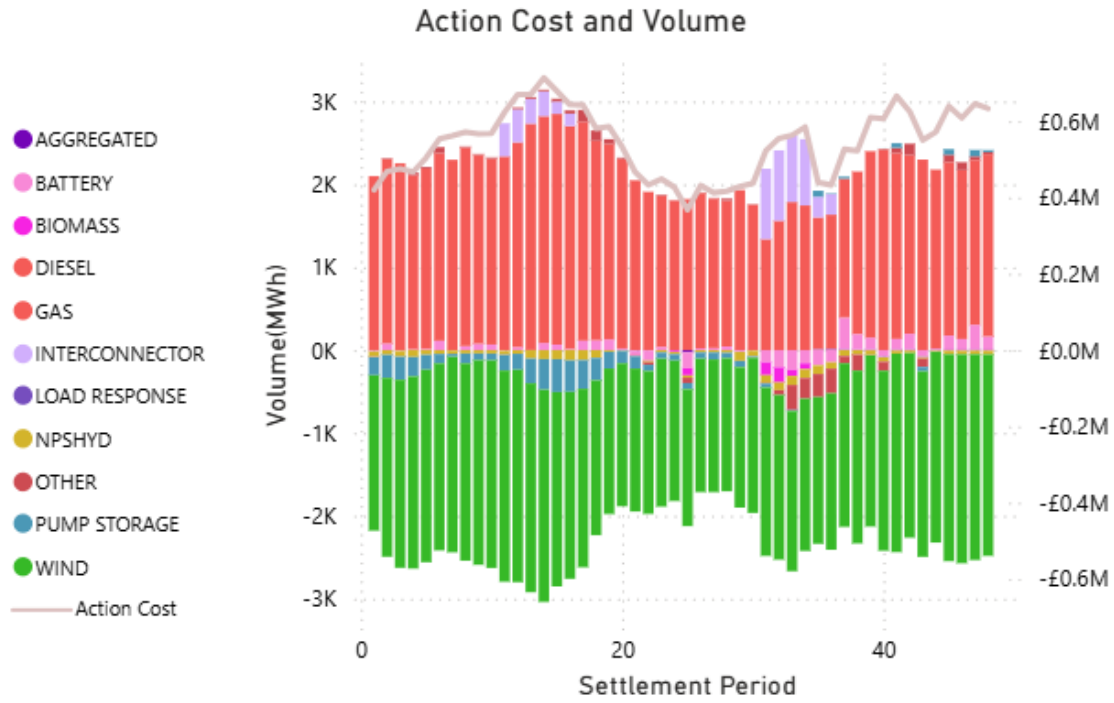
NESO Actions | Highest Costing Day



Settlement Date	Cost (£m)
14/11/2026	£27.32



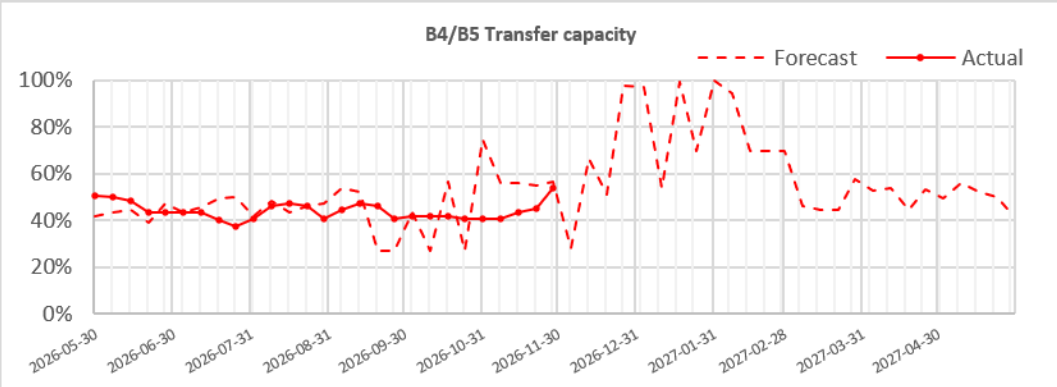


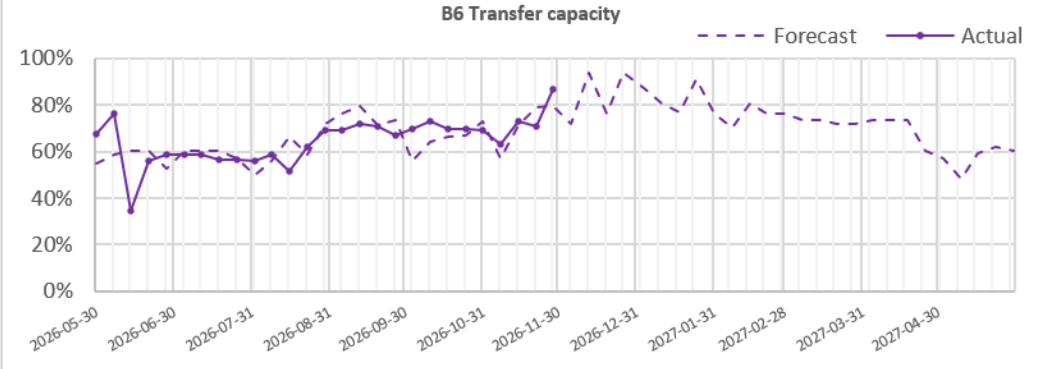


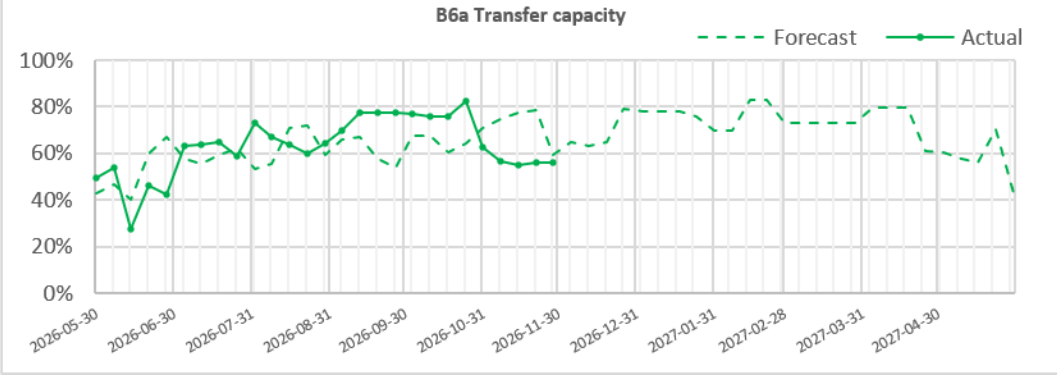
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Transparency | Network Congestion

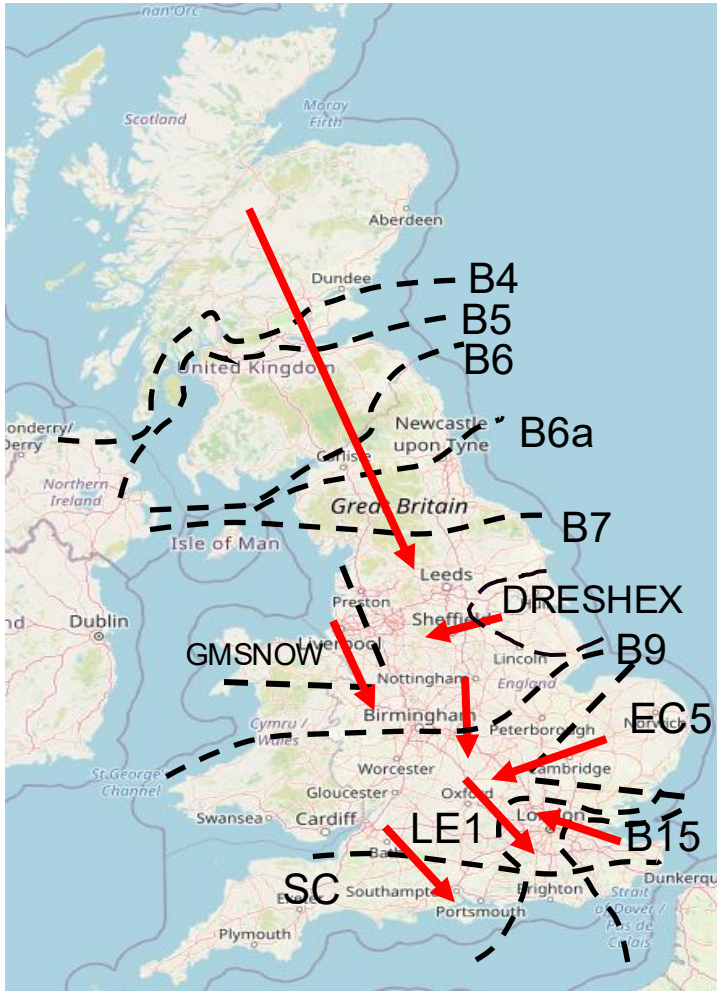
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Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	54
B6 (SCOTEX)	6800	87
B6a	8000	56
B7 (SSHARN)	9850	63
GMSNOW	5800	59
FLOWSTH (B9)	12700	68
DRESHEX	9675	73
EC5	5000	73
LE1 (SEIMP)	8750	71
B15 (ESTEX)	7500	100
SC1	7300	100

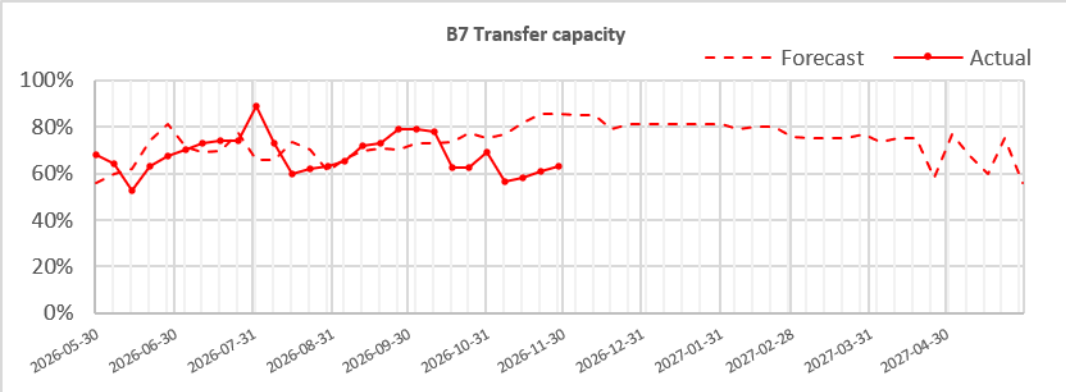


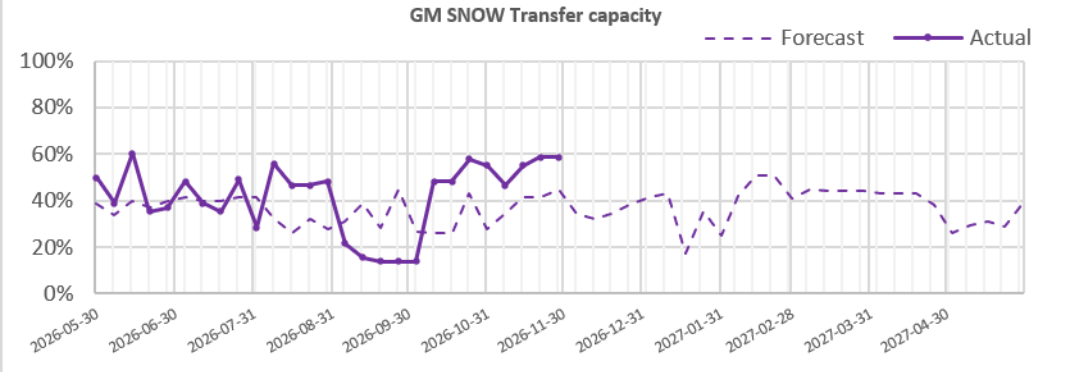
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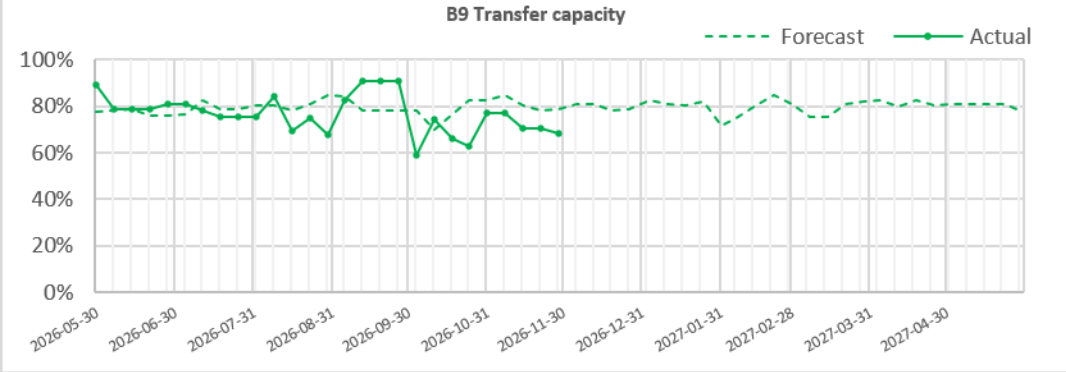
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Transparency | Network Congestion

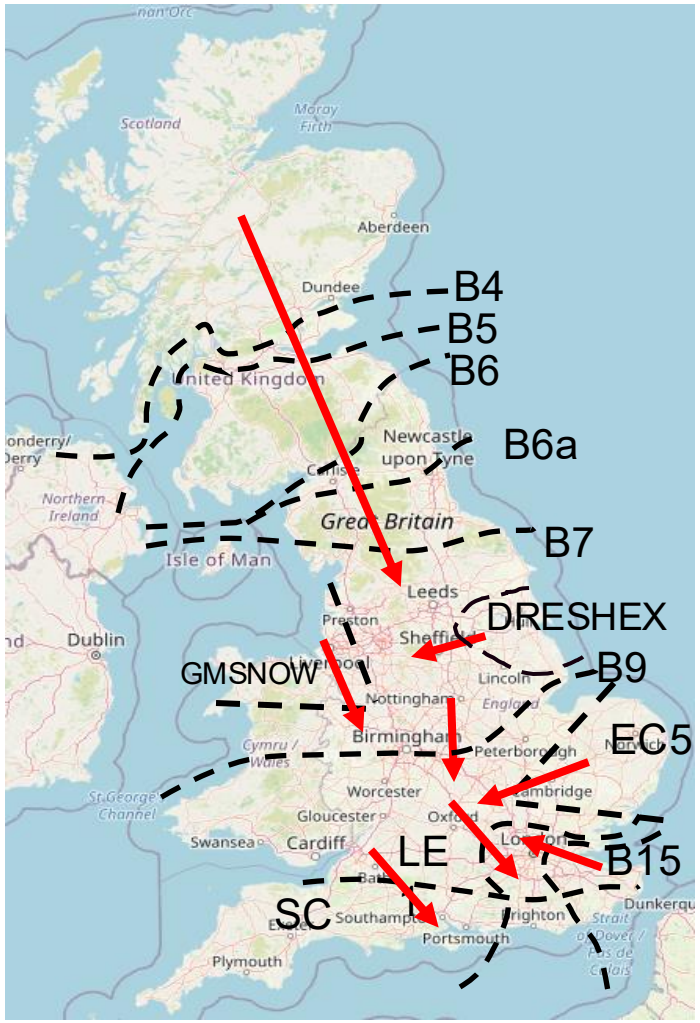
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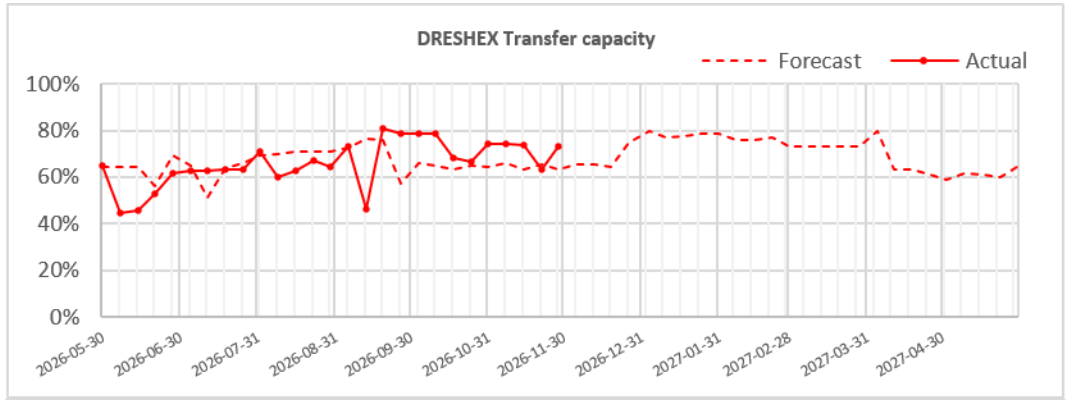
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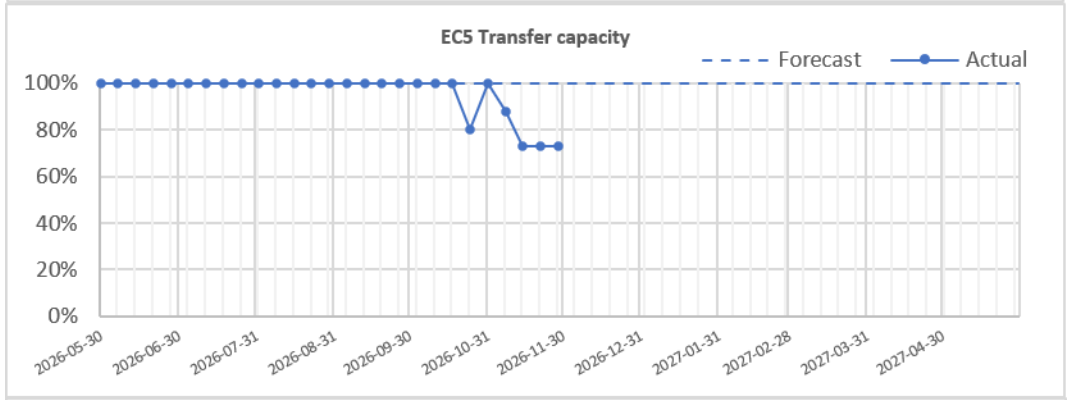


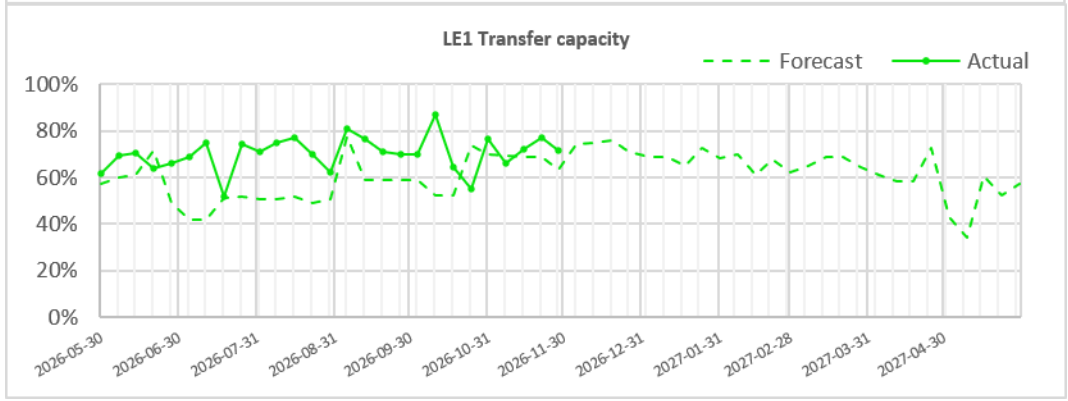
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Transparency | Network Congestion

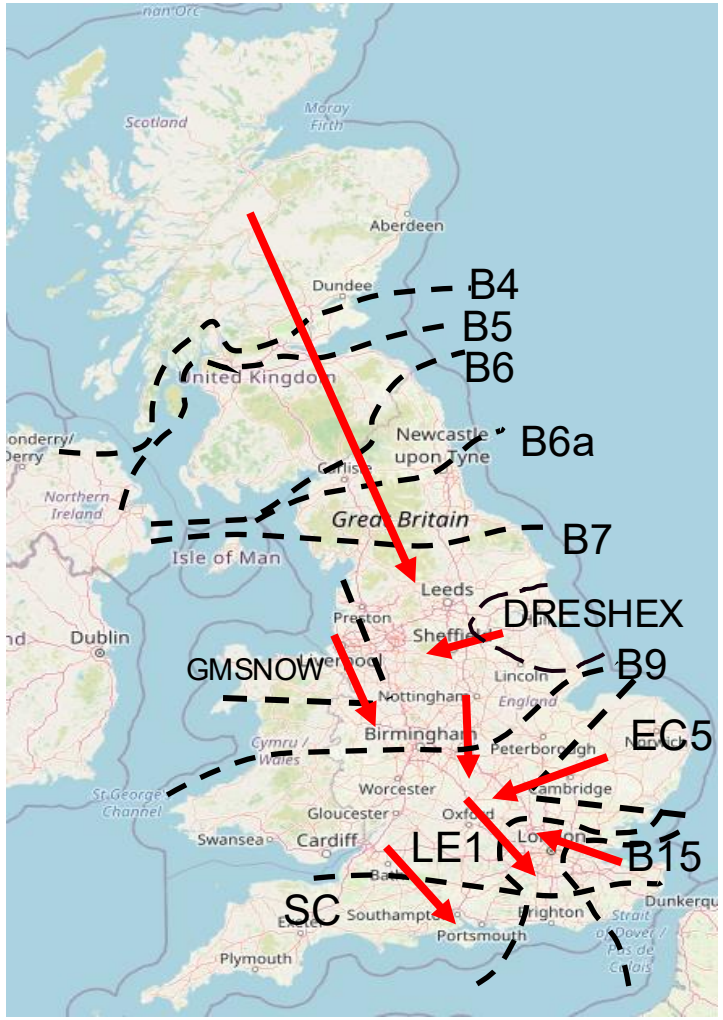






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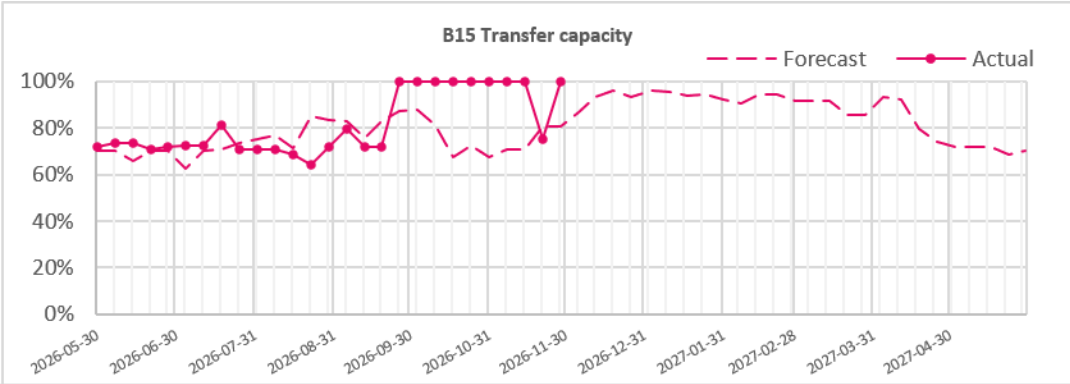
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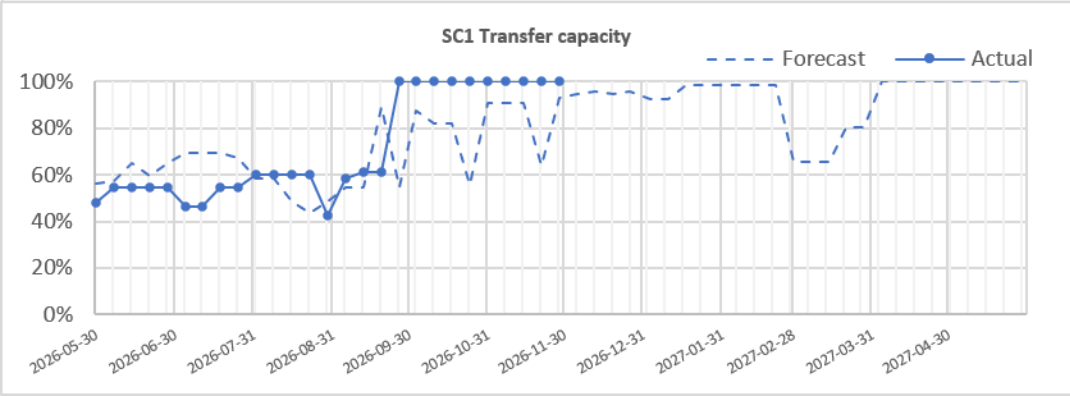


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NESO National Energy System Operator

Transparency | Network Congestion





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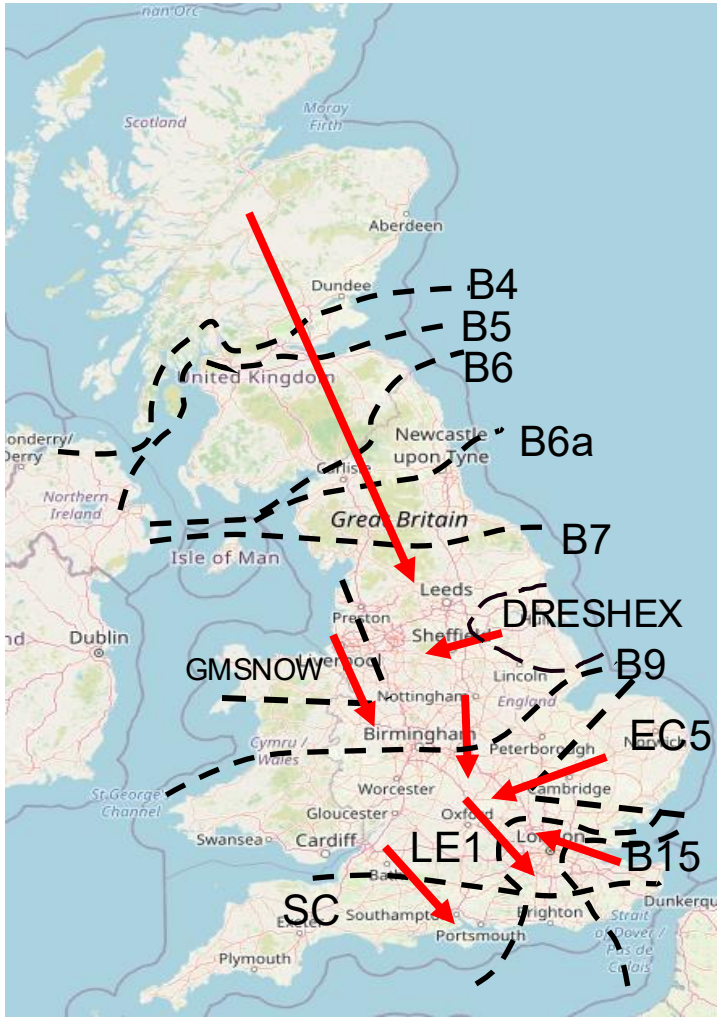
Day ahead flows and limits, and the 24-month constraint limit forecast are published on the NESO Data Portal: Constraints Management

The dataset presented in the Network congestion is published on the NESO data portal . Operational Transparency Forum - Network congestion data | National Energy System Operator

(The forecast and day ahead limits may vary due to changes in the outage plan. The plan is reviewed periodically throughout the year to ensure we are optimising system conditions, whilst managing any necessary outage plan changes.

Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	54
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B6a	8000	56
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Slido code #OTF



Energy Skip Rates – Bids & Offers Combined

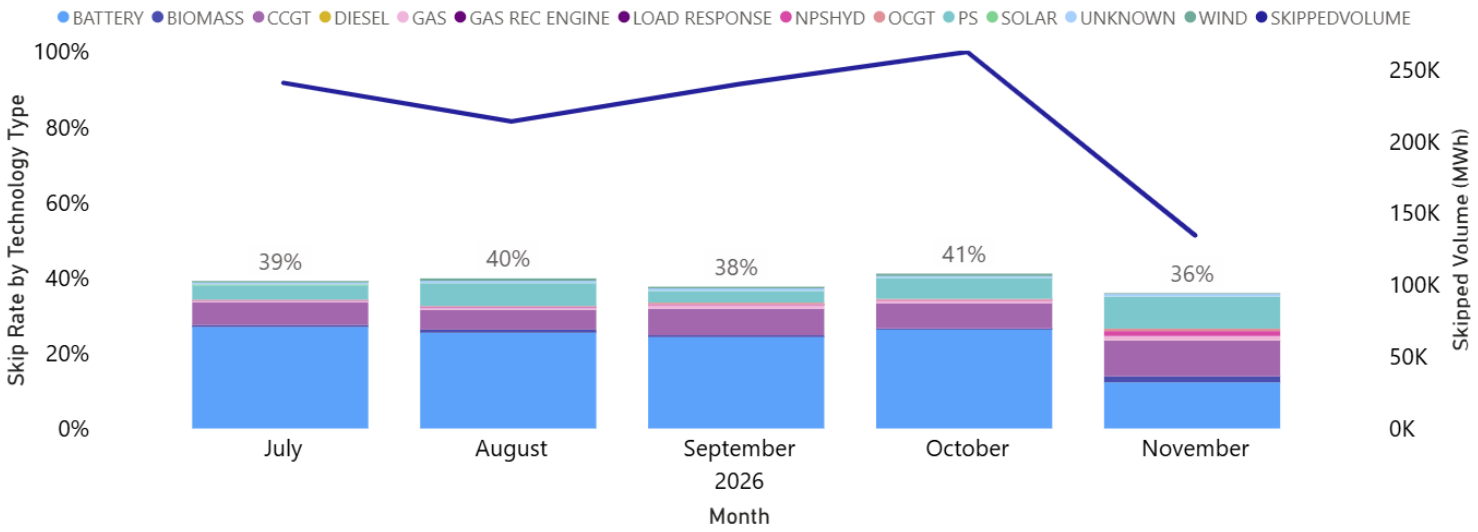
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We welcome your comments and feedback on these figures and how we present this data.

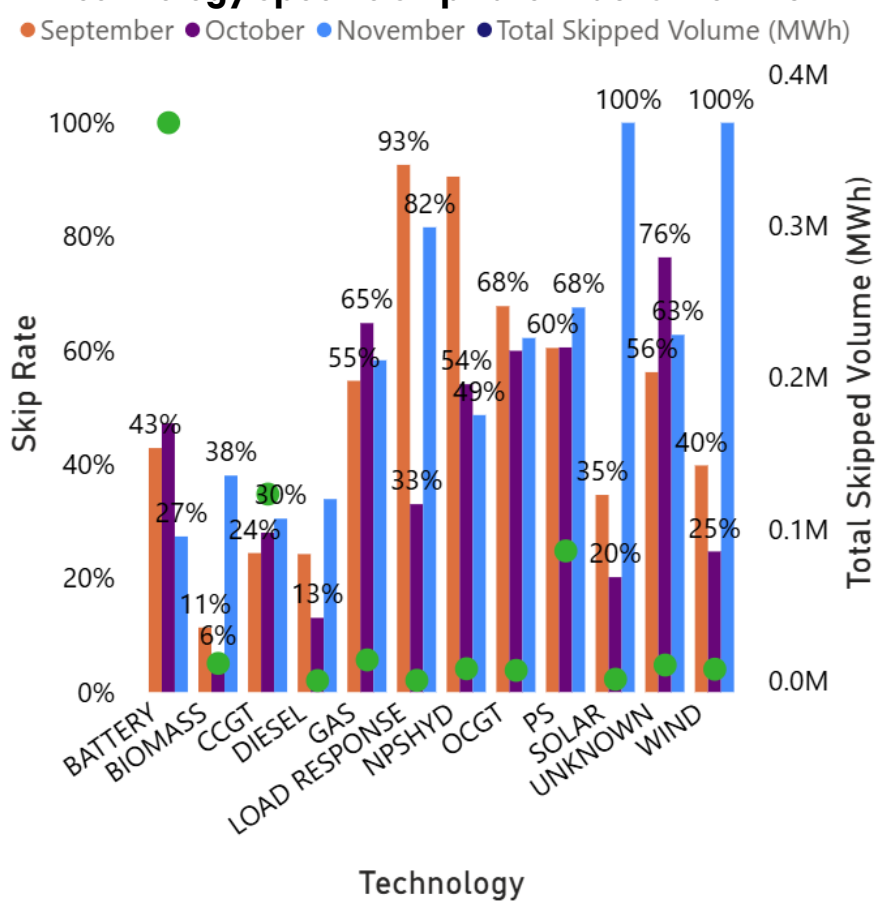
These graphs are based on stage 5 of the Post System Action definition.

Weekly Average w/e	PSA Skip Rate (%)
01/11	47%
08/11	31%
15/11	39%
22/11	39%

Relative Technology Skip Rate



Technology Specific Skip Rate – last 3 months



Gas: Gas reciprocating units
NPSHYD: Non-Pumped Storage Hydro
PS: Pumped Storage

Skips behind constraints webinar recording and powerpoint slides

Contact us on box.SkipRates@neso.energy

Skip rate data and more info on skip rates including methodology can be found on our website.

Register to receive the latest updates through the NESO newsletter by clicking here and selecting Future of Balancing Services (inc. Balancing Programme and Skip Rates).

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Public

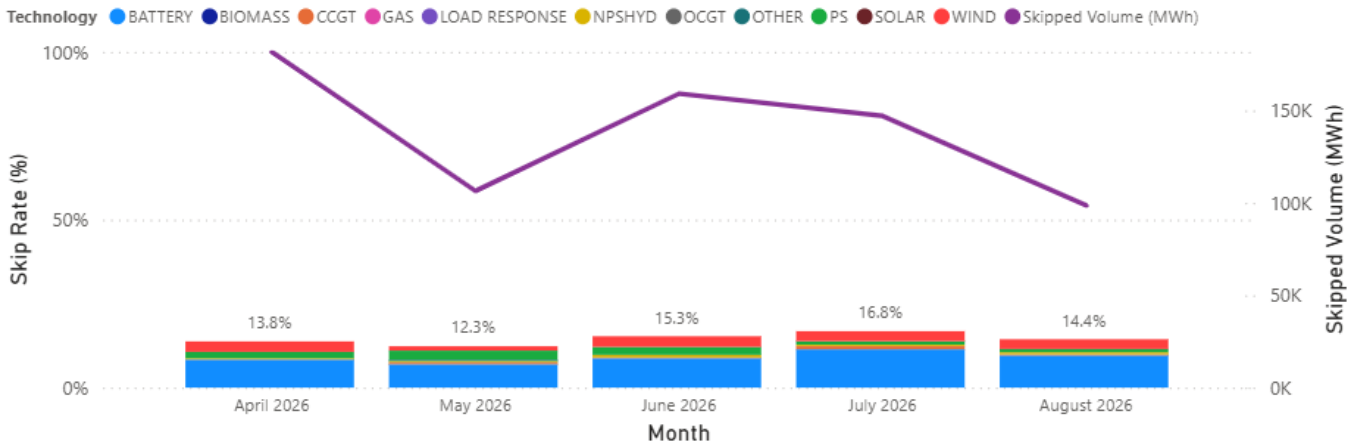
Constraints Skip Rate – Bids & Offers Combined

Slido code #OTF

Last updated- September 2026

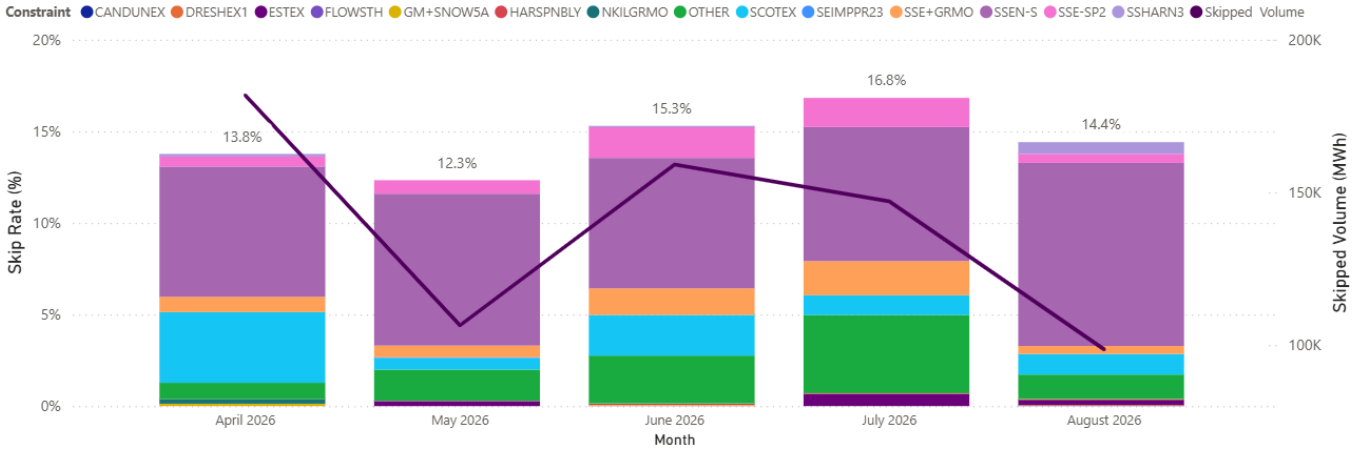
Datasets are published monthly, once the relevant month is complete

Relative Technology Skip Rate

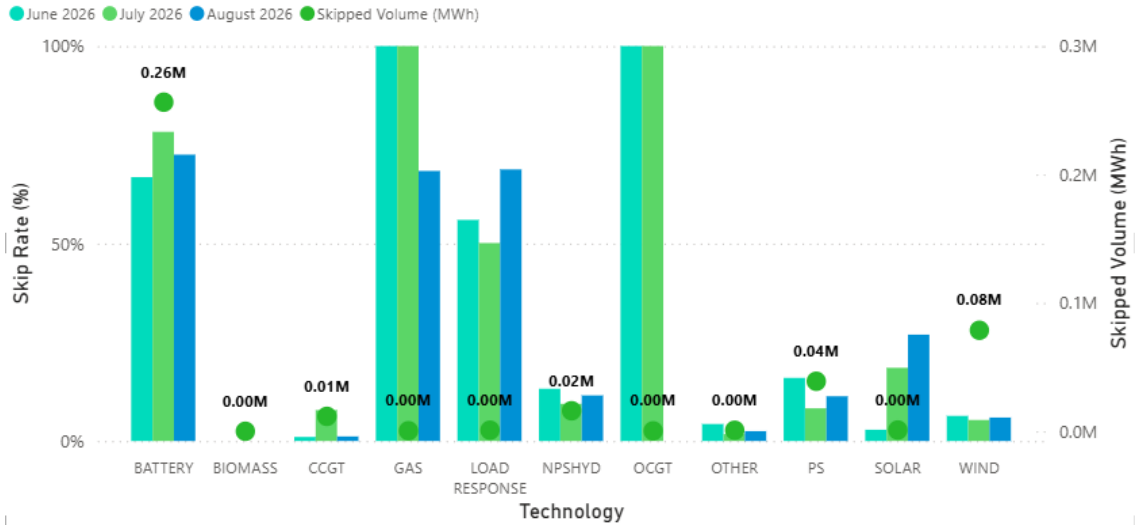


Monthly Average	Skip Rate (%)
May	12%
June	15%
July	17%
August	14%

Relative Constraint Skip Rate



Technology Specific Skip Rate – last 3 months



Gas: Gas reciprocating units
NPSHYD: Non-Pumped Storage Hydro
PS: Pumped Storage

Skips behind constraints webinar recording and powerpoint slides
Contact us on box.SkipRates@neso.energy

Skip rate data and more info on skip rates including methodology can be found on our website.

Register to receive the latest updates through the NESO newsletter by clicking here and selecting Future of Balancing Services (inc Balancing Programme and Skip Rates).

Previously Asked Questions

Slido code #OTF

Advance Q (3.11.26): In May 2024 there were two events reported by NESO (under Grid Code OC3/GC0105 System Incidents report) on the 12th and 14th, both of which involved trips/de-loads of Moyle interconnector in southwest Scotland and Marchwood Power Station in Southampton, England. The first on 12/05/2024 at 12:17:00 also tripped IFA interconnector and the second on 2024-05-14 at 01:00:49 also tripped EWIC interconnector. This second event received some attention in Ireland which suffered 900MW infeed loss in 22 seconds. Have NESO undertaken any investigation of these events, or report, or explanation from a GB perspective, of how such geographically and electrically distant assets could suffer simultaneous trips in such a short time period? And how virtually identical events could recur in two days? Are these trips related to the low GB inertia levels, both ~120GW.s (GJ), reported under OC3 for both events?

A: NESO investigated the events that occurred on 12 and 14 May 2024. For the event on 12 May, the Moyle interconnector trip was unrelated to the IFA2 interconnector trip, which resulted from factors external to the GB system. The Marchwood unit tripped in response to the IFA2 event, known as a 'sympathetic trip'.

For the event on 14 May, the deloading and blocking of the Moyle interconnector resulted from factors external to the GB system. These were not directly caused by either the EWIC interconnector trip or the trip of the same Marchwood unit, which again tripped sympathetically in response to the EWIC event.

The two events were therefore different in nature, apart from the Marchwood unit's sympathetic trips. These were followed up by NESO's Compliance team through to resolution. System inertia levels were sufficient to meet system requirements during both events. Neither event was attributed to low or depleted inertia levels.

Q (11.11.26) Anna Szumska: With 40% of B4 transmission flow available, it seems that a large fraction of balancing cost is due to grid outages. Can NESO share an estimation of additional cost added due to the outages in the weekly balancing cost summary? Is NESO planning any outage optimisation to minimise the impact?

A: Most of the constraint costs incurred are due to the limited network capacity. Even with an intact network, we would still see around 70% of the constraint costs. The current outages on the B4 boundary are to upgrade the 275kV route to 400kV, which will deliver an increase in boundary capacity in the long term. Further details about NESO's optimisation actions can be found here [What happens when there's a request for an outage? | National Energy System Operator](#) and in our recently published 2026 Thermal Constraints Update.

Previously Asked Questions

Slido code #OTF

Q (11.11.26) Hamidreza Jahangir : This week, we've seen a limited number of units in the accepted BM offer stack, with balancing actions appearing to be mostly covered by BSADs. Is there a specific technical or operational reason behind this, or could it be more linked to the reduction in balancing costs?

A: In accordance with our order of actions BSAD (Balancing Services Adjustment Data) trades and balancing actions in the BM fall within everyday actions and will be carried out in cost order.

Q (18.11.26) Jack Whitehouse: Is it fair to say that the Margin this year rests more on imports than previous years? That without imports, the margin would be 0?

A: Interconnectors are only one part of our generation mix. Interconnector flows change throughout the day from import to export, so it is not accurate to say that without net imports margins are zero.

Q (18.11.26) Nick Leeson: Is NESOs demand forecast an internal model or are third party demand forecasts used? E.g Amira

A: The demand forecast published by NESO is an internal model. However, the control room has access to multiple forecasts – some additional internal models, and some third-party models.

Q (18.11.26) Ben Marshall (National HVDC Centre): Slide 12 Ben; when you get the DA clarity on interconnection you are combining with best forecast on other generation and DER estimates which presumably can't be as accurate as what you get closer to real time. Margins presumably get better or worse in between-anything new that can help prediction? E.g. Amira

A: You are correct that interconnector nominations are combined with forecast output for other generation to support margin calculations. It is also true to say that margins can get better or worse as more information is known or forecasts updated.
Our forecasting strategy and delivery plan highlights the areas that we are focusing on for improved forecasting capability. Here is the link: https://www.neso.energy/document/373066/download

NESO National Energy System Operator

Previously Asked Questions

Slido code #OTF

Q (18.11.26) Michael Langdon-Davies : Post GC166 - if a BESS unit is fully committed forward (i.e. has MDO of 0 say) and it is exporting (+ve pn) but it's SoC goes to min SoC quicker than expected - is there now no mechanism for letting the market know that it is no longer meeting it's PN (i.e. they no longer drop their MEL)?

A: This scenario is described in section 3d on page 5 of the MDO/MDB Best Practice Guide (v3) link here: MDO/MDB Guide
In this case, it is important that the MEL is reduced to ensure the Committed Level remains accurate (as per Grid Code BC2.5) such that NESO has visibility of the BMU's accurate output in our operational systems; and the market is aware.

Q (18.11.26) Mark Meyrick : It strikes me, given their materiality, you are very exposed to IC flows changing as late as 1 hour ahead. This showed clearly on 24 Jun. Is there no way those flows /capacity can be bought and guaranteed undercurrent regs?

A: NESO can carry out cross-border trading to change the flow on the interconnectors, although this does not prevent market trading alongside our trades. We also have the ability to cap interconnector transfers under certain conditions

Q (18.11.26) Paul Rowe-Jones: Is NESO speaking to the other TSOs about revising the 1500 MW / 300 MW per IC policy? (Given that this has been a factor in the frequency of EMNs).

A: We continue to engage closely with our European TSO counterparts on opportunities to improve short-term cross-border trading, as well as longer-term options. We are not currently planning to revise the existing trading limits, but we will keep them under review as we continue to develop and improve our cross-border trading arrangements.

- GC166 = Grid Code Modification GC0166 (Introducing new Balancing Programme parameters for Limited Duration Assets)
- BESS = Battery Energy Storage System
- MDO = Maximum Delivery Offer
- PN = Physical Notification
- SoC = State of Charge
- MEL = Maximum Export Limit

NESO National Energy System Operator

Previously Asked Questions

Q (18.11.26) Chris Terry: Interconnectors are following intraday price spreads and will renominate that way. Do NESO not have clear view of these live spreads as they develop? It is surprising that the recurring theme under these EMNs is that the trading has caught NESO off guard.

A: Forecasting interconnector flows is complex because each interconnected market has different fundamentals affecting the price and flow. Models are currently being developed to improve NESO's forecasts of flow changes, helping our trading and the control room teams to support efficient balancing and reserve decisions.

Q (18.11.26) James Nils: Why are NESO curtailing NTC rather than procuring additional reserve? If GB is short, GB has to price higher than neighbouring markets to incentivise imports. Are NESO aware that the current approach distorts wholesale markets and therefore stops the market from naturally supporting the system?

A: NESO does not set the wholesale market price or the direction of interconnector flows. Our approach to setting NTCs follows the GB NTC Calculation Policy in that NTC restrictions are used as a last resort action for system security, based on our best forecast of system conditions and the alternative actions available at the time. Additional reserve is therefore not an alternative action if for example day ahead NTCs are set due to constraint reasons. We recognise that restricting interconnector capacity can have an impact on market outcomes and we will continue to reassess the requirement closer to real time as forecasts improve and other options become available, with the aim of making capacity available to the market wherever it can be accommodated.

Q (18.11.26) Jack Whitehouse : Is it correct that de-rated margins ignore regional network constraints and deliverability (despite constraints)? Is this being reviewed?

A: Yes, currently de-rated margins do not take into account constrained margin, but this is being reviewed. We will provide further information once the review has concluded.

Previously Asked Questions

Slido code #OTF

Q (18.11.26) James Bolland: Does NESO increase reserve requirements such as QR/BR/SR on days when more is expected to be needed, or do these services see a constant daily profile? If the latter, are there plans to increase reserve procurement targets?

A: Typically, the requirements for these services are constant for specific day profiles and times during each day profile. However, in cases when we anticipate exceptional system conditions driven by extreme/unusual events (e.g weather, special events), NESO does adjust the reserve requirements to ensure system security.

In general, NESO constantly reviews its requirement methodologies for reserve services, with the option of increasing requirements in the future once a need is identified. Further, new procedures are being implemented which will allow for a daily estimation of BR requirements, moving away from a constant requirement value.

Q (18.11.26) James Nils : How are interconnectors treated in calculating margin? Does this differ at the day ahead stage compared to intraday?
A: Interconnector flows are included in margin calculations as either imports to or exports from GB.
At earlier day-ahead timescales, before market nominations are available, NESO uses forecast interconnector flows, based on factors including expected market conditions and price differentials between GB and interconnected markets. From around 14:00 day ahead, market nominations become available and these replace the forecast flows in the margin calculation.

Intraday, the nominated flows continue to be updated as the market re-nominates. As a result, the interconnector position, and therefore the calculated margin, can change as more up-to-date information becomes available closer to real time.

- **QR** = **Quick Reserve**
- **BR** = **Balancing Reserve**
- **SR** = **Slow Reserve**

NESO National Energy System Operator

Previously Asked Questions

Slido code #OTF

Q (11.11.26) Anna Szumska: With 40% of B4 transmission flow available, it seems that a large fraction of balancing cost is due to grid outages. Can NESO share an estimation of additional cost added due to the outages in the weekly balancing cost summary? Is NESO planning any outage optimisation to minimise the impact?

A: Most constraint costs are driven by the underlying limits of network capacity. Even with an intact network, we estimate that around 70% of the constraint costs would still occur. The current outages on the B4 boundary support the upgrade of the 275 kV route to 400 kV, which will increase boundary capacity in the longer term.

Further information on how NESO manages and optimises outages is available on our network access planning webpage and in the 2026 Thermal Constraints Update. NESO outage planning process and 2026 Thermal Constraints Update.

Q (11.11.26) Hamidreza Jahangir : This week, we've seen a limited number of units in the accepted BM offer stack, with balancing actions appearing to be mostly covered by BSADs. Is there a specific technical or operational reason behind this, or could it be more linked to the reduction in balancing costs?

A: In accordance with NESO's order of actions, Balancing Services Adjustment Data (BSAD) trades and actions in the Balancing Mechanism (BM) are both considered everyday actions and are taken in cost order. The mix of actions seen in a particular period therefore reflects the actions available and their relative costs at the time.

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Outstanding Questions

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Q (14.10.26) John Turner: During the OTF a couple of weeks ago, NESO provided a response to a question in relation to IG114 and ABSVD for Secondary BMUs . The response intimated that system improvements between NESO and Elexon are being worked on, with a potential go-live in April.
Will BSCP602 also need to be updated to specifically include ancillary services within “Balancing Services”, which note 13 defines as “in this instance the Balancing Mechanism, Replacement Reserve” or will the system updates alone be enough to include Secondary BMUs? A screengrab of the wording is included below.
I’m not clear whether VLPs need to provide this data to the SVAA or if NESO provides it and I would be grateful for clarification. I appreciate that this may be better directed towards Elexon but hope you may know the answer, as the previous question was responded to during the OTF and NESO is working directly with Elexon on a resolution.

Q (26.10.26) Nigel Waincroft: How much of the power requirement accuracy problem is due to NESO's weak forecasting capabilities? Many academic papers have been published showing that the amount of error is not industry standard.

Q (18.11.26) Ben Marshall (National HVDC Centre) : Within EU code alignment LFSM-U is defined- the thresholds of its activation for TSOs to consider nationally. if BESS and other devices e.g. new HVDC have headroom- could a service be designed to shift response to reserve and LFSM-U to response to assist short term margin risk?

Q (18.11.26) Kingsley Akpeji: What risk (confidence) level is applied to wind and solar forecasts to determine the level of reserve to be held?

Q (18.11.26) Moska Ahmadzai : What are your thoughts on the high BSUoS costs and how is it sustainable as it continues to rise?

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Q (26.10.26) Nigel Waincroft: How much of the power requirement accuracy problem is due to NESO's weak forecasting capabilities? Many academic papers have been published showing that the amount of error is not industry standard.

Q (18.11.26) Christopher Boocock: Please can you tell us how NESO views risk management in general and how this relates to EMN and operational activities?. How does NESO evaluate the impacts of a system outage and how does that feed through to margin management policy and activity? Thank you.

Q (18.11.26) Christopher Boocock: Please can you tell us how NESO views risk management in general and how this relates to EMN and operational activities?. How does NESO evaluate the impacts of a system outage and how does that feed through to margin management policy and activity? Thank you.

Q (18.11.26) Michael Langdon-Davies : Interesting update on Emergency disconnection of COALB - we've noticed some large BESS commissioning all do the same profiles at the same times - could these not mostly be staggered and show the same capability and not cause frequency issues when commissioning?

Advance Q (20.11.26): In response to OTF question 3660, NESO confirmed that it applies a 60-second threshold (an Ofgem reporting metric) when determining whether a frequency excursion outside 49.7–50.3 Hz is reportable under OC3.4.1(a)(ii). Can NESO explain the legal or Grid Code basis on which an Ofgem incentive-reporting criterion can override or modify an existing Grid Code reporting requirement without first completing a Grid Code modification?

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Previously Asked Questions (Covered via Margin deep dive)

Q (30.09.26) Matthew James: Noting the Monday EMN, there have now been 5 EMNs in the last 4months. The last EMN before that was January 2025. Is the system becoming less secure?

A: Covered in margin deep dive

Q (30.09.26) Lisa Waters: What caused the EMN?

A: Covered in margin deep dive

Q (30.09.26) Milo Karter: Do NESO think it is problematic that there have been 5 EMNs in the last 5 months, when the previous 5 took over 5 years to occur. Given that there has been unused GB plant in 3/5 of these EMN's. Has the threshold for a EMN being enacted been reduced, potentially to unlock additional IC headroom?

A: No, the EMN threshold has not changed

Q (30.09.26) Matthew James: On 3 of the last 4 EMNs 2.5GW of IC trades occurred, more than the 1.5GW of IC trades in the new IC trading limits. These days had spare GB CCGT, small & large (250MW+) OCGT's. Shouldn't these be used ahead of IC trades? The limits were created to stop NESO using EU MW when spare GB capacity exists?

A: As covered in margin deep dive, margin assessments alongside trading and other commitment decisions are made ahead of time, based on the information available at the time of the decision. Changes beyond this time, for example additional BMU availability or market driven changes to interconnectors, may offset non-committed generation, such as those mentioned in the question.

Q (30.09.26) Natasha Ranatunga: When is the EMN deep dive scheduled for?

A: Today, 18 Nov 2026

Previously Asked Questions (Covered via Margins deep dive)

Q (14.10.26) Edwin Chen: With EMNs becoming more frequent, it becomes essential that NESO can provide real-time guidance on expected price. When will NESO implement a process that enables this, rather than the current one where prices are worked out months later in settlement?

A: Everyday actions, such as dispatch instructions from the control room (via BOAs) or interconnector trades are published on the Elexon Insights website or the NESO data portal. Enhanced or Emergency Actions, such as Emergency Instructions or Emergency Assistance are notified as soon as information is available to us.

Q (14.10.26) Jamie MacEwen: Is there any plans to give anymore advanced notice of EMNs, so that asset operators can prepare?

A: EMNs are issued to inform the market that NESO does not have the additional capacity that it requires and to ask market participants to maximise their flexibility. EMNs are issued as soon as the control room has a reasonable view of the margin position for the time in question. Typically, this will be late evening (after 21:00) once all interconnector DA nominations have been received and the control room has assessed available actions. The level of uncertainty ahead of this time is higher and less accurate signals may be sent to the market.

Q (01.07.26) Chris Bocock: Please could you give us an idea of the capacity numbers involved in the response to the EMN? If possible, I'd like to know the absolute and relative contribution of the demand side response he mentioned. Thank you

A: It is very difficult to determine changes to capacity that can be directly attributed to the fact that we issued an EMN. Changes to capacity can happen for many different reasons

Previously Asked Questions (covered via Margins deep dive)

Q (12.10.26) : There have been two emergency assistance actions in the past few days, alongside several EMNs over recent weeks. These are unusual interventions given the seemingly normal system conditions. Have recent changes to NESO's operational processes or forecasting capabilities affected its ability to accurately forecast and manage the system?

In addition, as raised at previous Ops Forums, the use of emergency assistance can have a significant impact on cashout prices and, consequently, market participants' cashflows.

You have previously stated that the price of these trades cannot be known until after the event. However, if the assisting system operator — RTE in this instance — indicates that prices are likely to be exceptionally high, surely alternative options would be explored? So there must be a process of price exploration?

There must be a way to provide indicative pricing in real time, even if only as an estimate or range. Without this transparency, market participants are left trading with significant uncertainty around the potential impact on cashout prices, undermining the market's ability to function efficiently

A: NESO continually reviews our operational processes and forecast capability. However, there have been no significant changes recently.

Emergency Assistance (EA) is an enhanced action and will only be utilised if everyday actions are not available. If EA is being considered by the control room, then it is unlikely that other options are available.

We are considering your suggestion for indicative prices and will report back to the OTF.

Previously Asked Questions (covered via Margin deep dive)

Q (01.07.26) Milo Karter: Would providing a DRM with the inclusion of constraints provide a better reflection of how tight the system is from a control room perspective. The questions today suggest that the last 3 EMNs have not made any sense to the market given a near 10GW DRM on each EMN.

Q (15.07.26) Lisa Waters: Under the recent EMNs NESO was taking over 500MW out of the margin as it was constrained off. 500MW is the fixed CMN margin trigger. Does NESO think we need to review the CMN trigger to account for constrained off margin?

Q (15.07.26) Alistair Abbott: Are you able to share the causes behind the latest EMNs? The LoLP on Elexon shows that for EMN notice period last Thursday (09/07), the lowest margin forecast was 5.9GW, slightly greater than the margin forecast on Wednesday (08/07), yet this period had no EMN. Thank you.

A: We are currently reviewing both the CMN and DRM margin calculations with a view to updating them to reflect various factors that impact the margins now. Rather than change the CMN trigger, we would make a specific allowance for constrained margin which would probably need to be variable rather than a fixed MW number. The DRM and CMN calculations are currently optimistic assessments, and the EMN calculation is a more accurate semi-manual calculation which takes into account all relevant factors that are applicable on the day in question.

DRM – De-Rated Margin
EMN – Electricity Margin Notice
CMN – Capacity Market Notice
LoLP – Loss of Load Probability

Previously Asked Questions (Within scope of Ofgem Review)

Q (14.10.26) Lisa Waters: What has the Ofgem review got to do with the recent EMN?

A: EMNs related to 24 Jun 26 and 26 Jun 26 fall within the time period covered by the Terms of Reference of the Ofgem review. Other EMNs have been covered in today's margin deep dive.

Q (01.07.2026) Advance: The extreme weather across Europe in the week beginning 22 June was well forecast. From that the challenges of reduced wind, gas, and nuclear power output should have been forecast. So, I'm very surprised that "[when] we approached real time, models moved from using forecasts for interconnector flow to using nominated flows from day ahead auctions" and that led to amber then red margin status, a frequency deviation, and an interconnector emergency instruction. What work is NESO going to undertake to ensure your margin forecast model does not fail to predict reduced margin in these conditions, well ahead of real time, when they next occur?

Q (01.07.26) Milo Karter: On 26/06 NESO issued an EMN until 21:00 despite soft margins and spare CCGT in the stack. It had already procured 1,500MW on ICs, then cut EMN shortfall to 100MW while requesting another 100MW IC. Was the EMN ready to enable more IC MW procurement cheaper than GB, not because NESO lacked margin?

NESO OTF Q&A Guidelines

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- **Anonymous Questions:** We won't answer questions from unidentified parties live. If you need to stay anonymous, use the advance question or email options.
- **Challenge Concerns:** The OTF isn't the place to challenge actions of individual parties (except NESO). Report such concerns to the Market Monitoring team at: mailto:box.nc.customer@neso.energy.
- **Question Order:** We'll answer questions in the order they are upvoted. If we can't answer a question right away, we'll take it away or address it later.
- **Slido Availability:** Slido will stay open until 12:00, even if the call ends earlier, to give you more time to ask questions.
- **Q&A:** All questions asked through Slido will be recorded and published with answers in the Operational Transparency Forum Q&A on our webpage: https://www.neso.energy/what-we-do/systems-operations/operational-transparency-forum
- **Takeaway Questions:** These will be included in the next OTF pack. We might ask you to email us to clarify details
- **Out of Scope Questions:** These will be forwarded to the right NESO expert or team for a direct response. We might ask you to email us to ensure we have the correct contact details. For more information about the OTF's purpose and scope, check the appendix of this slide pack.

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Audience Q&As

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Using the poll in Sli.do after the event.

If you have any questions after the event, please contact the following email address: **box.nc.customer@neso.energy.**

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Appendix

Purpose and scope of the NESO Operational Transparency Forum

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Purpose: The Operational Transparency Forum runs once a week to provide updated information on and insight into the operational challenges faced by the control room in the recent past (1-2 weeks) and short-term future (1-2 weeks). The OTF will also signpost other NESO events, provide deep dives into focus topics, and allow industry to ask questions.

Scope

The OTF covers:

- Regular updates, deep dives, and focus topics
- NESO's operational strategies and challenges
- Data published by NESO
- Data and processes from other parties (e.g., BMRS by Elexon, consultations by Elexon, Ofgem, DESNZ)
- Industry questions (answers live or taken away for answering later)

Out of Scope

The OTF does not cover:

- Data owned by other parties
- Specific actions and decisions of the NESO Control Room
- Activities and operations of individual market participants
- NESO's policy and strategic decisions
- Formal consultations (e.g., Code Changes, Business Planning, Market Development)

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Skip Rates – 'In Merit' datasets

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We recognise that these datasets aren't as intuitive as they could be – specifically the column headings. Please be reassured that we are looking at ways to improve this - we will update the documentation to include this information and will also discuss the datasets in more detail at the webinar on 27th February.

We will use 'accepted' and 'instructed' differently in this context, even though they are normally the same.

These datasets show the units that should have been instructed if decisions were solely based on price, rather than all units that were instructed. Therefore, this dataset does not match the total accepted volume datasets in Elexon.

In Merit Volume = Accepted Volume + Skipped Volume

In Merit Volume
- This is the recreated in merit stack showing the lowest cost units that were available to meet the requirement, where the requirement is based on the volume of units that were actually instructed
- Therefore, this is the volume that should have been accepted if decisions were solely based on price
- The sum of this column is the total instructed volume in the 5-minute period (subject to the relevant exclusions)

Accepted Volume
- This is the volume that was accepted in merit, as a subset of the 'In Merit Volume' column – i.e. how much volume was accepted in merit
- The sum of this column will be less than the sum of the 'In Merit Volume' column, unless there is no skipped volume
- Note: this column does not list all instructed units

Skipped Volume
- This is the volume that was skipped, as a subset of the 'In Merit Volume' column – i.e. of the volume that we should have instructed, how much was skipped

It's possible that the list of units increases, decreases, or stays the same between stages, but the total 'In Merit Volume' will always remain the same (or no volume is excluded) or decrease (due to exclusions).

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