Public

# NESO Operational Transparency Forum

## 1 July 2026

## 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'

# 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

Slido code #OTF

## Today

- Operational Update: Managing tight operational margins – 23rd June, 24th June and 26th June

## Future

- 15th July
  - PLEXOS Year-Ahead Constraint Cost Forecast
- 22nd July
  - June Balancing Costs
- 29th July
  - No OTF (run fortnightly over summer break)

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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# Clarification on GC0166 changes to reserve services – impacting electricity storage assets

With the Grid Code changes under Introducing new Balancing Mechanism Parameters for Limited Duration Assets having taken effect from 25 June 2026, we want to explain how those changes will be reflected in NESO's performance monitoring of reserve ancillary services - Quick Reserve, Slow Reserve and Balancing Reserve.

The changes will introduce new parameters for how Limited Duration BMUs declare their state of charge and remove the historical '30-minute MEL rule'.

As providers transition to the new requirements, we will monitor whether Limited Duration BMUs have submitted and updated (as required) their MDO and MDB as part of their dynamic parameters and that the BMU has the capability to deliver their contracted energy, relative to their associated Physical Notification.

For further guidance on the GC0166 requirements contact OBP_EDT.EDL@neso.energy
For performance monitoring of reserve services contact commercial.operation@neso.energy

MDO / MDB – Maximum Deliverable Offer / Bid
MEL – Maximum Export Limit

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# An update on Linked Windows in Slow Reserve

- Linked windows remain an important operational control while we continue to adapt processes following the transition from STOR to Slow Reserve. They help ensure reserve requirements, provider locations and network constraints are considered together when preparing operational plans.

- In previous communications, we highlighted that relaxing of the linked windows would not be before the end of June 2026.  While planned system and process changes are intended to improve through more accurate unit-level modelling, these capabilities have not yet been fully embedded and proven. Removing linked windows before then would reduce operational visibility and could introduce risk, rather than simply simplifying the service.

- As a result, we are still not able to remove the linked windows. We are continuing to assess the path to achieving fully flexible service windows in Slow Reserve. We will keep industry updated with this progress.

STOR – Short Term Operating Reserve

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# Early view of winter 2026/27 and Winter review

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We've published our **Early View of Winter Outlook** giving an initial picture of how Great Britain's electricity system is expected to perform this coming winter.

This early view also sits alongside our **winter review** which compares our forecasts for winter 2025/26 to what actually occurred. National Gas have also published a review of winter.

Link to the reports:

- Early view of winter 2026/27 | National Energy System Operator
- Winter Review and Consultation 2025/26

# Future Event Summary

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| Event | Date & Time | Link |
|---|---|---|
| NESO Markets, Balancing and Dispatch Summer System Update - Glasgow | 2 July (09:00 – 17:30) | Register for Glasgow here |
| Reserve & Response: Request for Information | Close date: 3 July | Locational Procurement Market Design<br>Reserve Reform RFI<br>MFR and DR Reform |
| South West Reactive Power 2026 Consultation | Close date: 10 July | Response Form here |

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Check out the NESO Events Calendar for more…

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# Managing tight operational margins:

23rd June, 24th June and 26th June

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# What is an EMN?

## Electricity Margin Notice (EMN)

It is one of the operational tools available to our control room. It is issued when our normal margins for operating the system - our 'buffer' - is not as large as we would like and we cannot address through other mechanisms.

It is used to notify the market that additional generation capacity may be required and to encourage market participants to make any available capacity known. It does not mean electricity supplies are at risk, and it is absolutely not a warning of power cuts.

You can read our blog: What are system notices? | National Energy System Operator. Alternatively, Click here to watch the deep dive we did on this topic.

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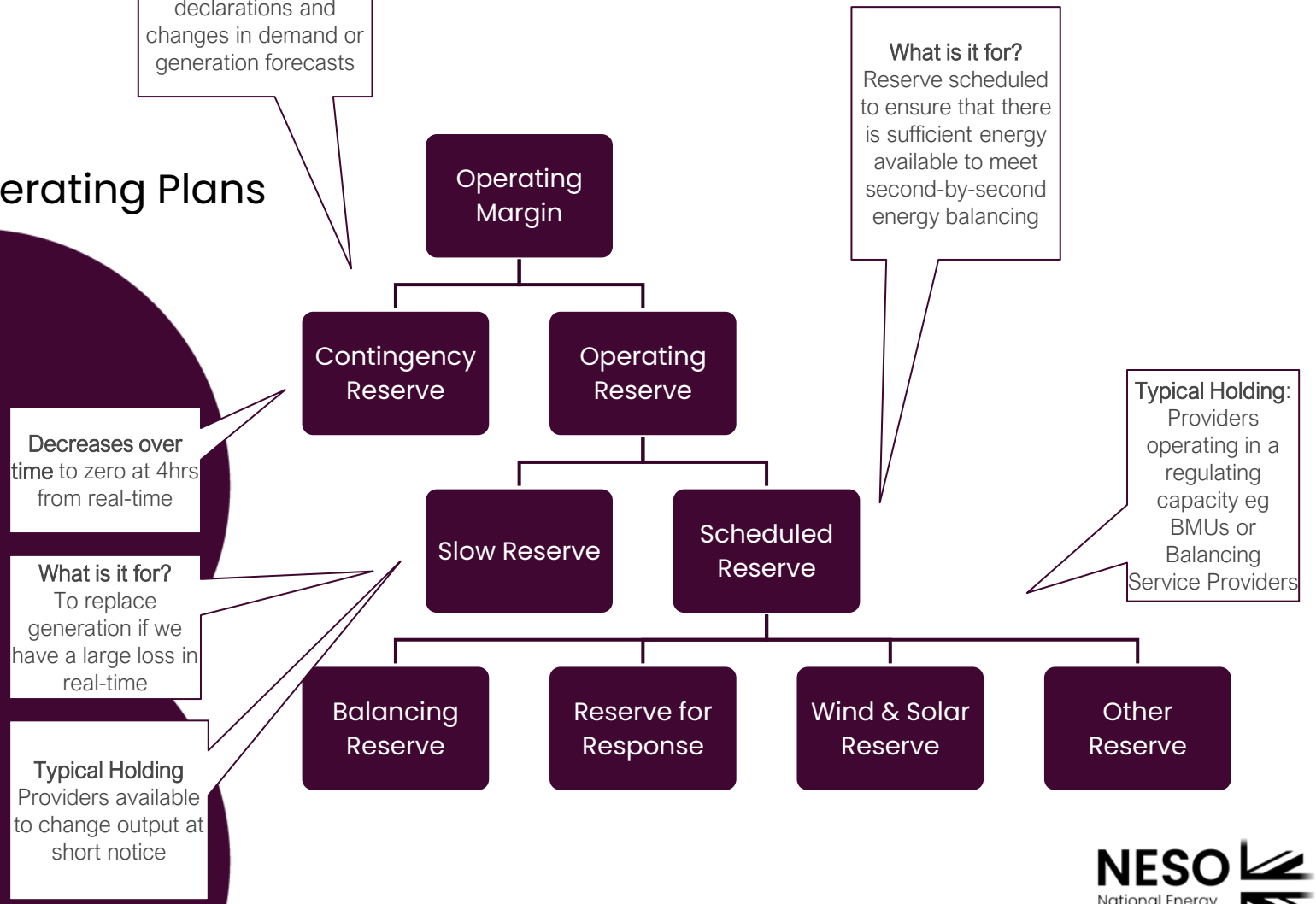
# Transparency - What is Operating Margin?

- Demand uncertainty
- Volume of renewable generation
- Special events
- Weather
- Largest demand and generation loss risk
- Periods of enhanced system risk

## NESO System Operating Plans




Link to: [NESO System Operating Plan (SOP)]

# The week before 23rd June

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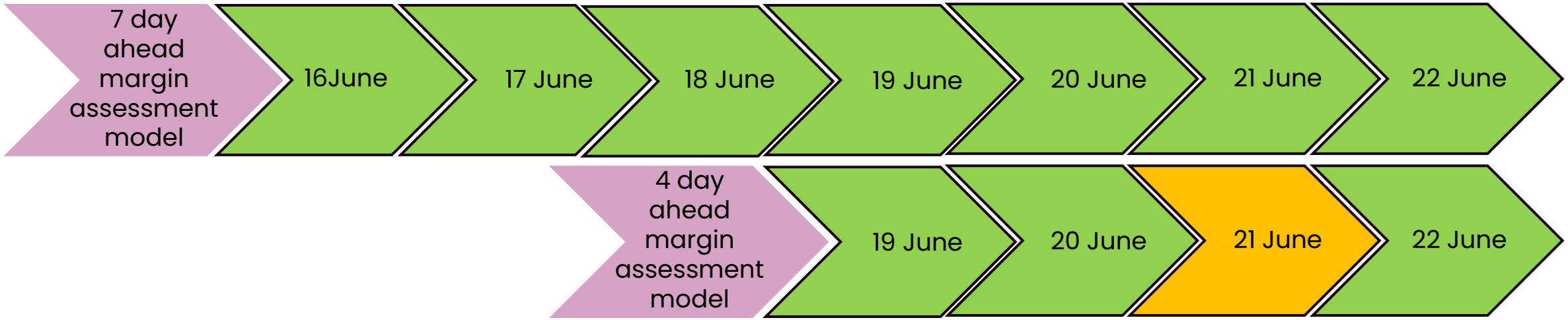


Margin remained green in all assessments except the 4 day ahead model on the 21st June.

Further assessments returned status to green.

# The day before: 22nd June 2026

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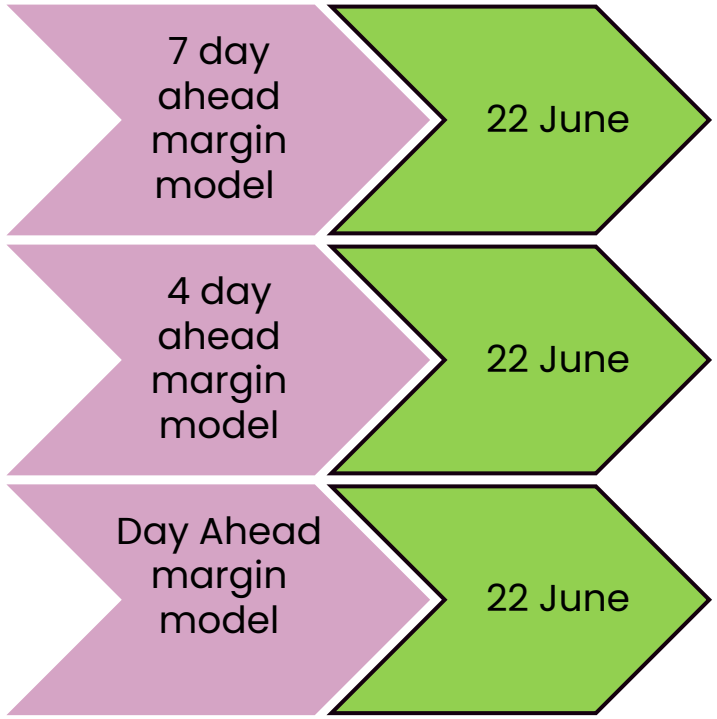
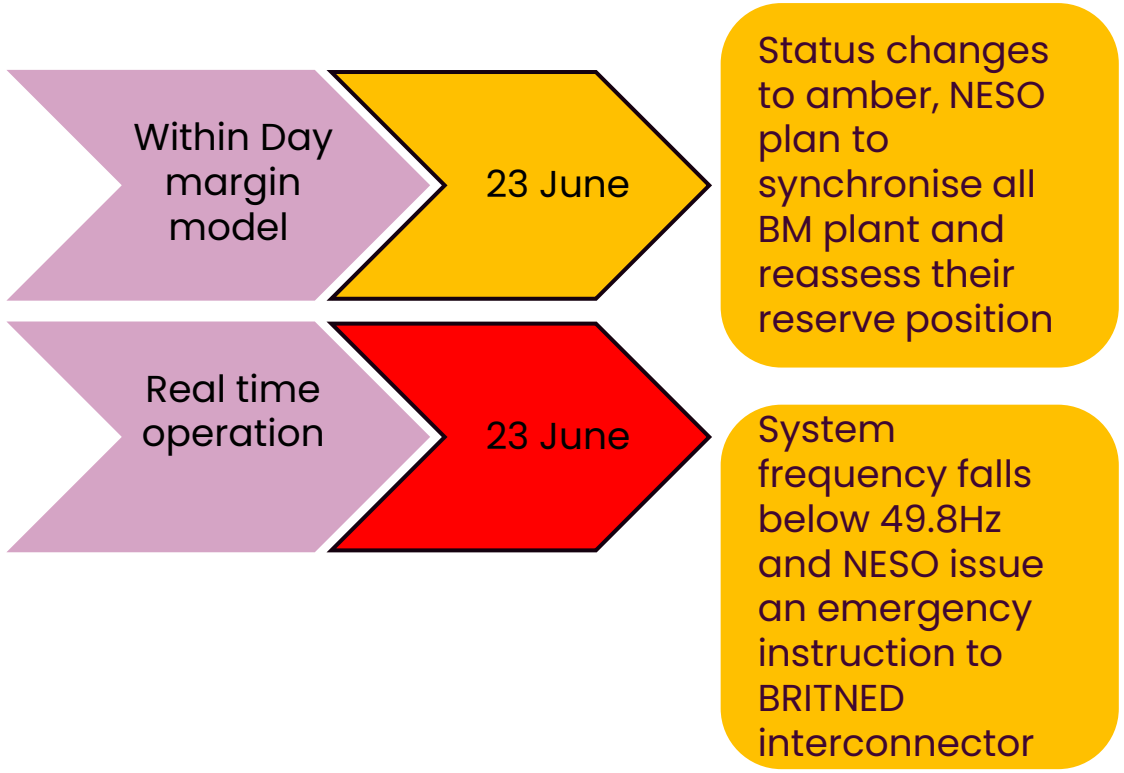



Throughout Monday, NESO completed multiple margin assessments as new data became available

- All models showed margin to be sufficient
- As we approached real time, models moved from using forecasts for interconnector flow to using nominated flows from day ahead auctions.

# 23rd June 2026






Throughout Tuesday, NESO completed multiple assessments as new data became available:

- All models showed margin to be adequate once all BM plant is synchronised, though significantly reduced compared to day-ahead models.
- As we approached real time Interconnector reference programmes were renominated, changing an expected net import of to a net export.

# Electricity Margin Notice 24th June and 26th June

**Why was it issued?**

NESO issued an Electricity Margin Notice (EMN) for the evening peaks on 24 June and 26th June due to insufficient margin. This was driven by extremely high temperatures and low wind, impacting the availability of some gas power stations and output from wind farms.

Together, those factors resulted in tighter electricity margins than we would normally expect for this time of year.

# What actions did NESO take?

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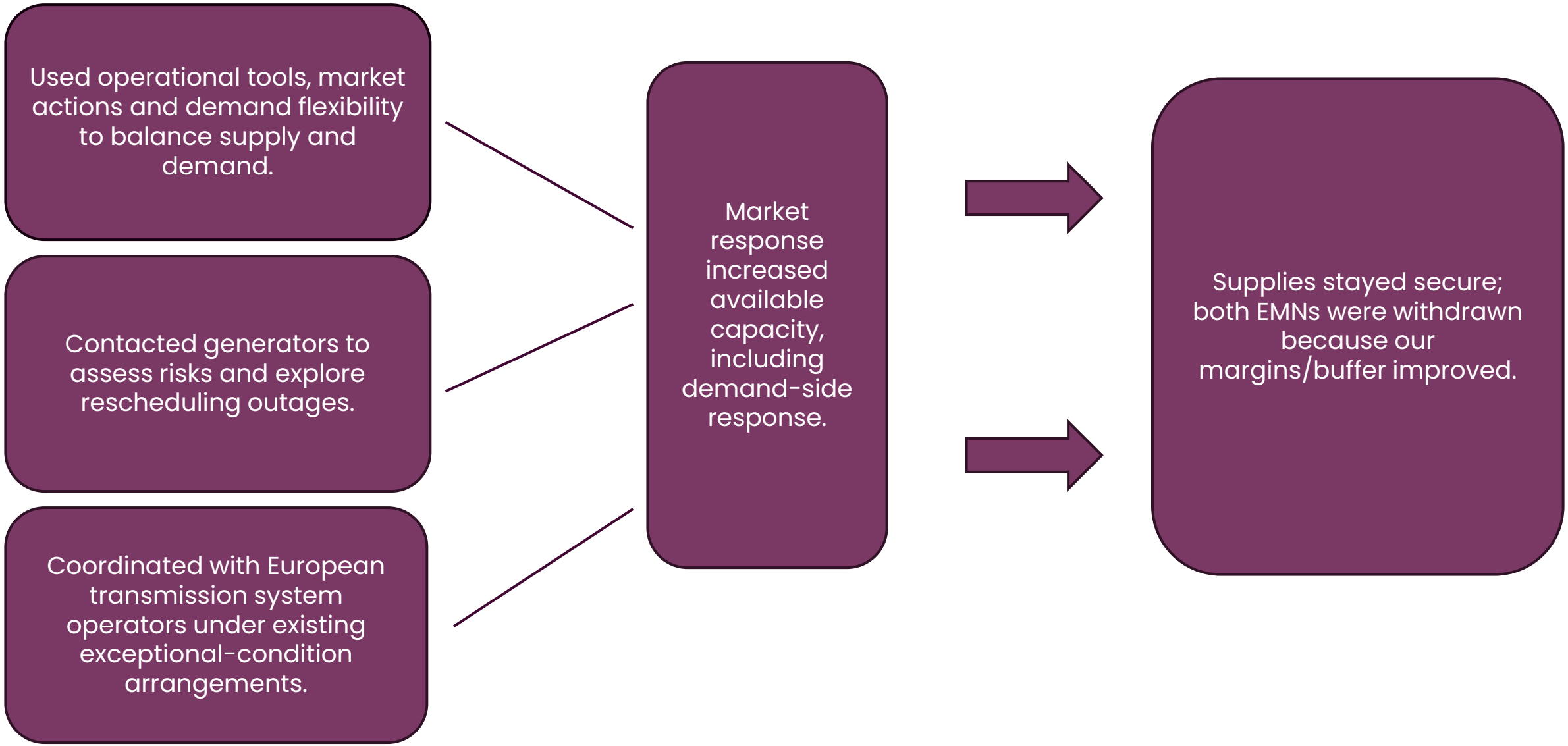

# Electricity Margin Notice: context and key message

24 and 26 June 2026

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**KEY TAKEAWAY**

## Operational readiness matters: when weather and market conditions tighten margins, an EMN signals the market to provide more spare capacity — keeping supply secure.

1

### Plan for changing conditions

Summer Outlook expected sufficient supply and anticipated operational tools for tighter conditions; this was briefed to government, regulators and media.

2

### Signal the market early

An EMN is a standard control room tool. It does not mean demand cannot be met; it asks the market for a larger cushion of spare capacity.

3

### Monitor, reassess and act

Margins are tracked on a rolling 7-day basis, shared daily with DESNZ and Ofgem, then reassessed day-ahead as new data arrives.

> Core message: The EMN did exactly what it was meant to do — help the control room maintain secure, reliable electricity for homes and businesses.

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# Demand | Last week demand out-turn

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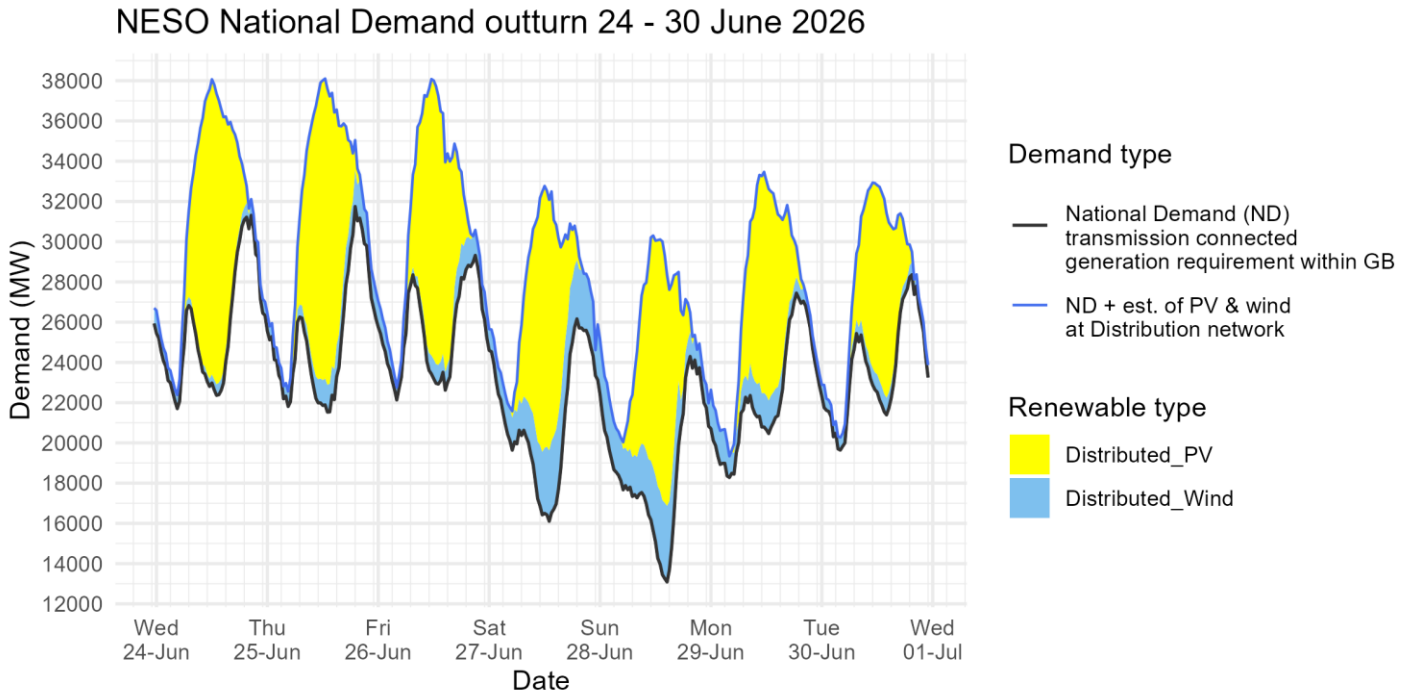


**The black line (National Demand ND) is the measure of portion of total GB customer demand that is supplied by the transmission network.**
**ND values do not include export on interconnectors or pumping or station load**

**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 October, 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.**

## Distributed generation

Peak values by day

| | OUTTURN | |
|---|---|---|
| Date | Daily Max Dist. PV (GW) | Daily Max Dist. Wind (GW) |
| 24 Jun 2026 | 14.7 | 1.1 |
| 25 Jun 2026 | 14.9 | 1.9 |
| 26 Jun 2026 | 13.9 | 1.8 |
| 27 Jun 2026 | 13.0 | 3.7 |
| 28 Jun 2026 | 12.9 | 3.8 |
| 29 Jun 2026 | 11.0 | 1.9 |
| 30 Jun 2026 | 9.7 | 1.1 |

## National Demand

Minimum Demands

| | | FORECAST (Wed 24 Jun) | | | OUTTURN | | |
|---|---|---|---|---|---|---|---|
| Date | Forecasting Point | National Demand (GW) | Dist. wind (GW) | Dist. PV (GW) | National Demand (GW) | Dist. wind (GW) | Dist. PV (GW) |
| 24 Jun 2026 | Daytime Min | 21.2 | 0.4 | 13.6 | 22.4 | 0.6 | 14.4 |
| 25 Jun 2026 | Overnight Min | 22.0 | 0.8 | 0.7 | 21.8 | 0.6 | 0.1 |
| 25 Jun 2026 | Daytime Min | 20.8 | 1.4 | 13.9 | 21.5 | 1.4 | 14.7 |
| 26 Jun 2026 | Overnight Min | 21.7 | 1.1 | 0.2 | 22.1 | 0.6 | 0.0 |
| 26 Jun 2026 | Daytime Min | 21.2 | 1.3 | 11.9 | 22.6 | 0.9 | 10.4 |
| 27 Jun 2026 | Overnight Min | 19.5 | 1.2 | 2.3 | 19.6 | 1.6 | 0.3 |
| 27 Jun 2026 | Daytime Min | 18.3 | 2.7 | 9.5 | 16.1 | 3.5 | 12.5 |
| 28 Jun 2026 | Overnight Min | 17.9 | 1.3 | 1.9 | 17.7 | 2.0 | 0.3 |
| 28 Jun 2026 | Daytime Min | 18.0 | 2.2 | 9.9 | 13.1 | 3.8 | 11.5 |
| 29 Jun 2026 | Overnight Min | 19.0 | 1.2 | 0.1 | 18.3 | 1.1 | 0.0 |
| 29 Jun 2026 | Daytime Min | 23.0 | 1.0 | 8.6 | 20.5 | 1.6 | 10.5 |
| 30 Jun 2026 | Overnight Min | 20.2 | 0.4 | 0.0 | 19.6 | 0.6 | 0.0 |
| 30 Jun 2026 | Daytime Min | 21.2 | 0.7 | 10.5 | 21.4 | 0.9 | 9.2 |

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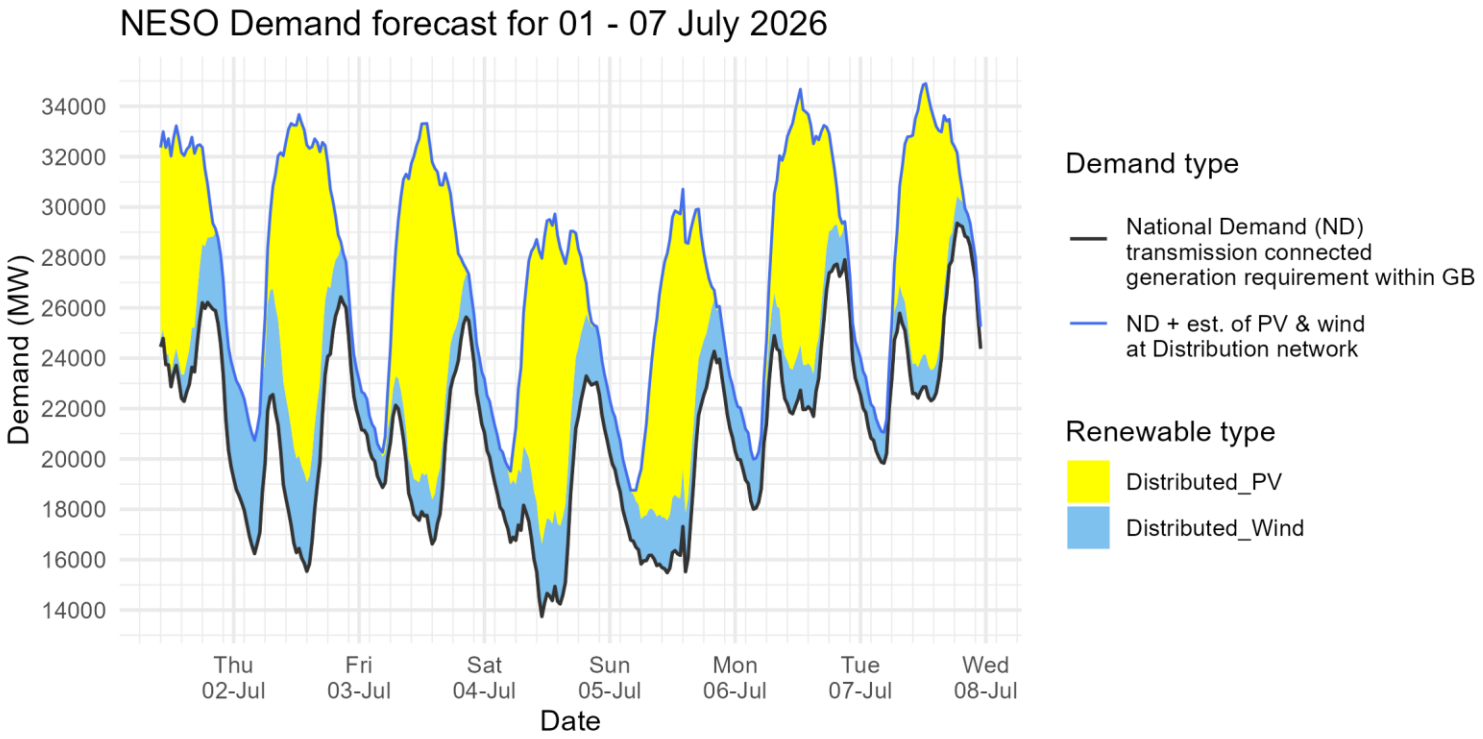
# Demand | Week Ahead



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**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 October, 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.**

## National Demand

Minimum Demands

| | | FORECAST (Wed 01 Jul) | | |
|---|---|---|---|---|
| Date | Forecasting Point | National Demand (GW) | Dist. wind (GW) | Dist. PV (GW) |
| 01 Jul 2026 | Daytime Min | 22.3 | 1.1 | 8.7 |
| 02 Jul 2026 | Overnight Min | 16.2 | 4.4 | 0.0 |
| 02 Jul 2026 | Daytime Min | 15.5 | 3.5 | 13.4 |
| 03 Jul 2026 | Overnight Min | 18.9 | 1.2 | 0.2 |
| 03 Jul 2026 | Daytime Min | 16.6 | 1.8 | 13.4 |
| 04 Jul 2026 | Overnight Min | 16.7 | 2.3 | 0.5 |
| 04 Jul 2026 | Daytime Min | 13.7 | 2.9 | 11.3 |
| 05 Jul 2026 | Overnight Min | 15.8 | 1.8 | 2.0 |
| 05 Jul 2026 | Daytime Min | 15.5 | 2.1 | 10.6 |
| 06 Jul 2026 | Overnight Min | 18.0 | 2.0 | 0.0 |
| 06 Jul 2026 | Daytime Min | 21.7 | 1.7 | 9.1 |
| 07 Jul 2026 | Overnight Min | 19.8 | 1.2 | 0.0 |
| 07 Jul 2026 | Daytime Min | 22.3 | 1.2 | 10.4 |

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# NESO Actions | Category Cost Breakdown

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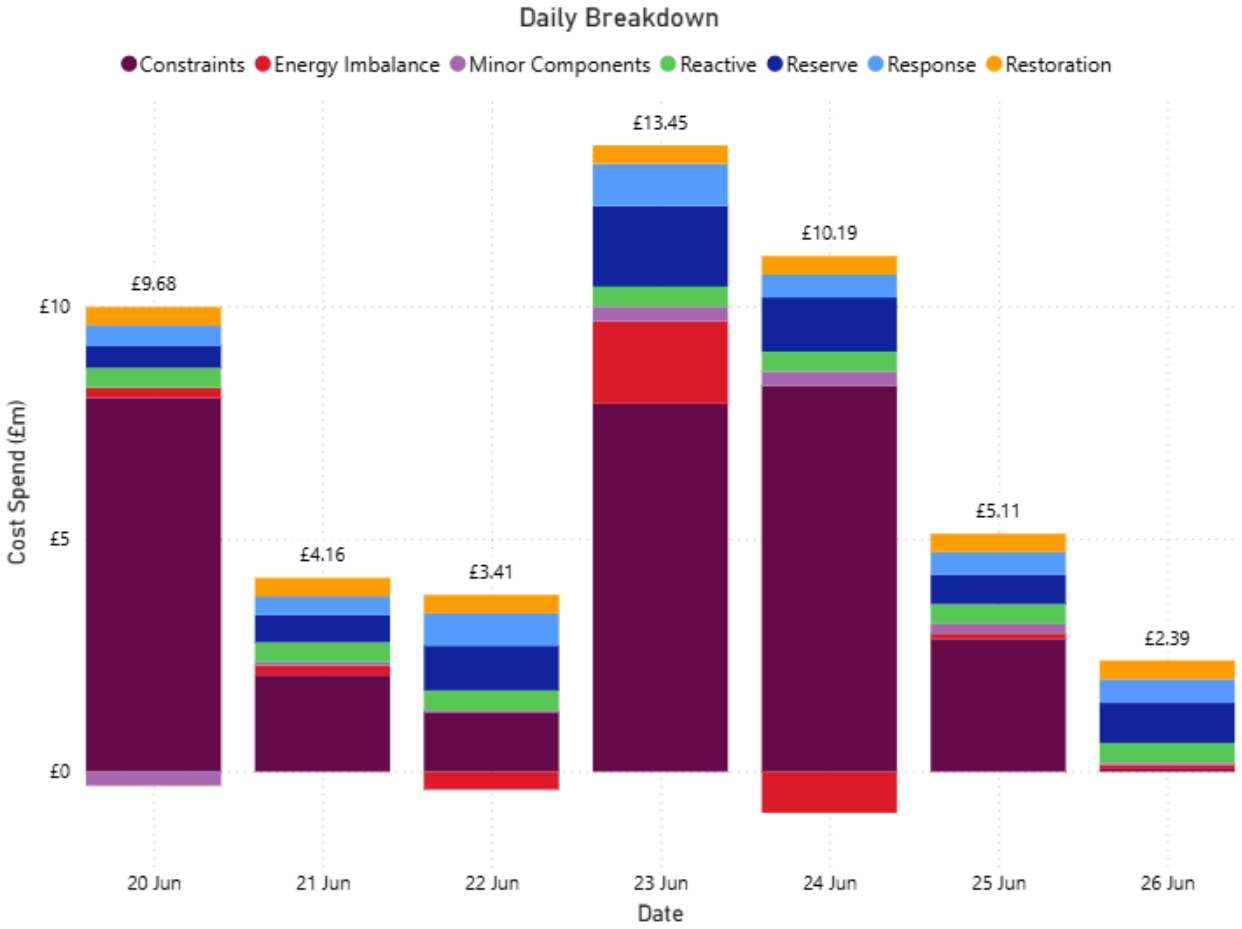
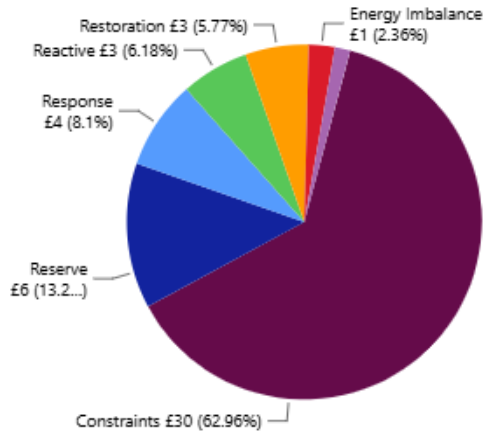



| Current Week Total (£m) | Average Daily Cost (£m) |
|---|---|
| £48.39 | £6.91 |
| **Previous Week Total (£m)** | **Previous 30 Day Average (£m)** |
| £68.61 | £9.18 |

Share of Cost Spend (£m)




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

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# NESO Actions | Constraint Cost Breakdown

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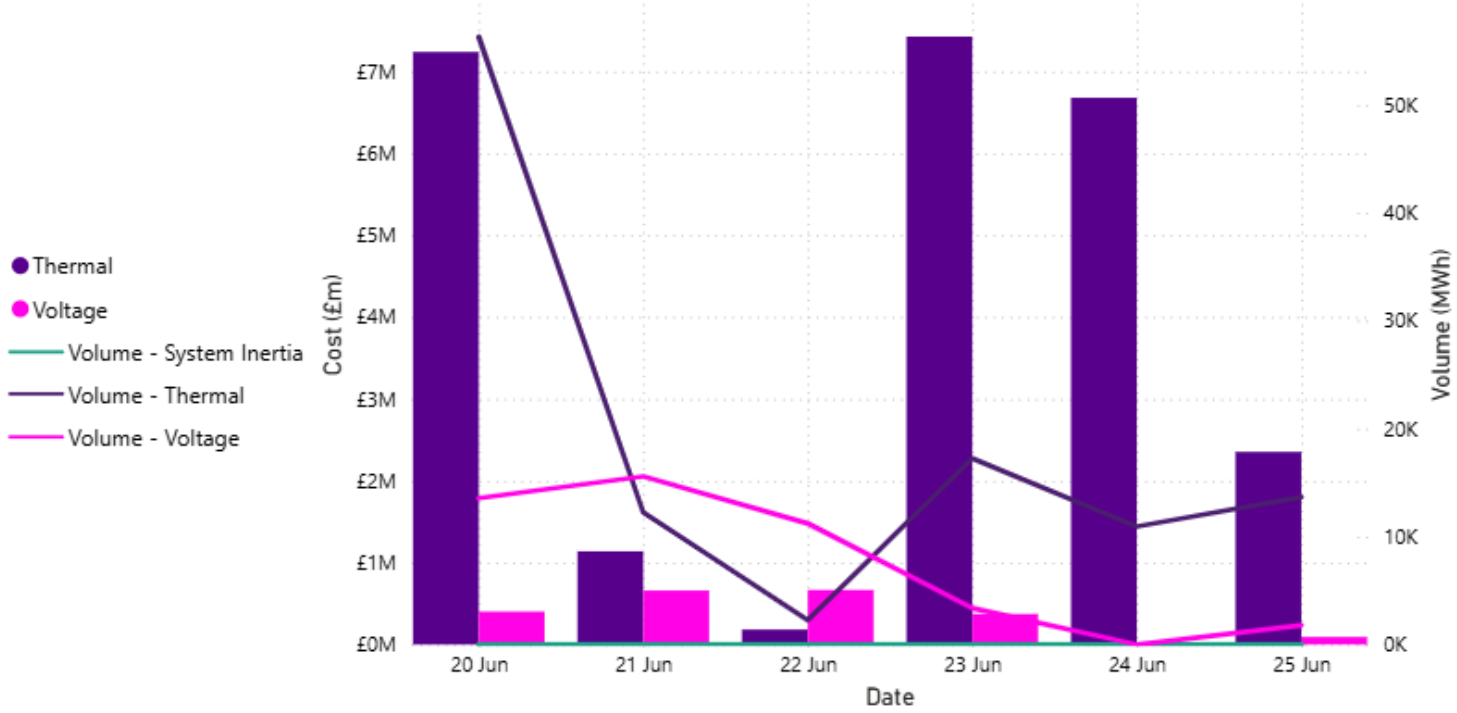
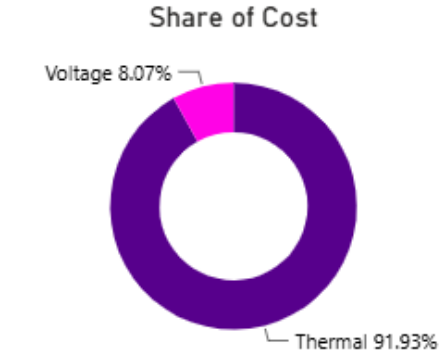
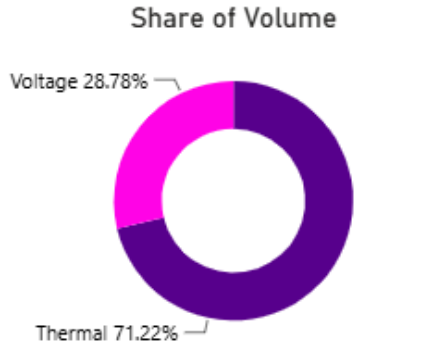
| Thermal Constraints | | Voltage Constraints | | System Inertia | |
|---|---|---|---|---|---|
| Costs (£) | Volume (MWh) | Costs (£) | Volume (MWh) | Costs (£) | Volume (MWh) |
| £25.02M | 113K | £2.20M | 46K | -- | -- |




***Note: Volume is reported as an absolute figure.***

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# NESO Actions | Settlement Periods of Interest

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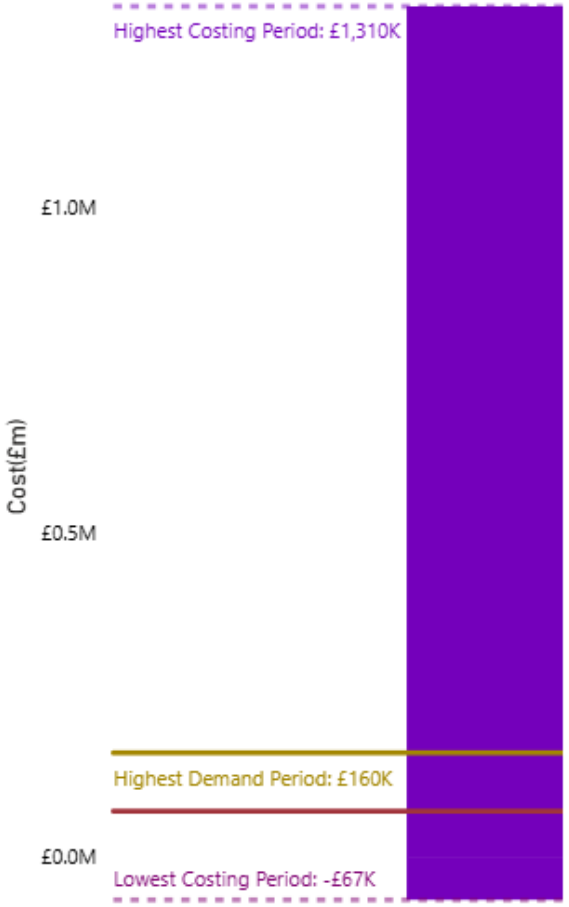


**Highest Costing Settlement Period**

| Settlement Date | Settlement Period | Approximate Cost |
|---|---|---|
| 23/06/2026 | 42 | £1M |

**Minimum Demand Period**

| Settlement Date | Settlement Period | Demand (MW) | Approximate Cost |
|---|---|---|---|
| 20/06/2026 | 1 | 0 | £70K |

**Highest Demand Period**

| Settlement Date | Settlement Period | Demand (MW) | Approximate Cost |
|---|---|---|---|
| 25/06/2026 | 48 | 0 | £160K |

**Lowest Costing Settlement Period**

| Settlement Date | Settlement Period | Approximate Cost |
|---|---|---|
| 24/06/2026 | 22 | -£67K |



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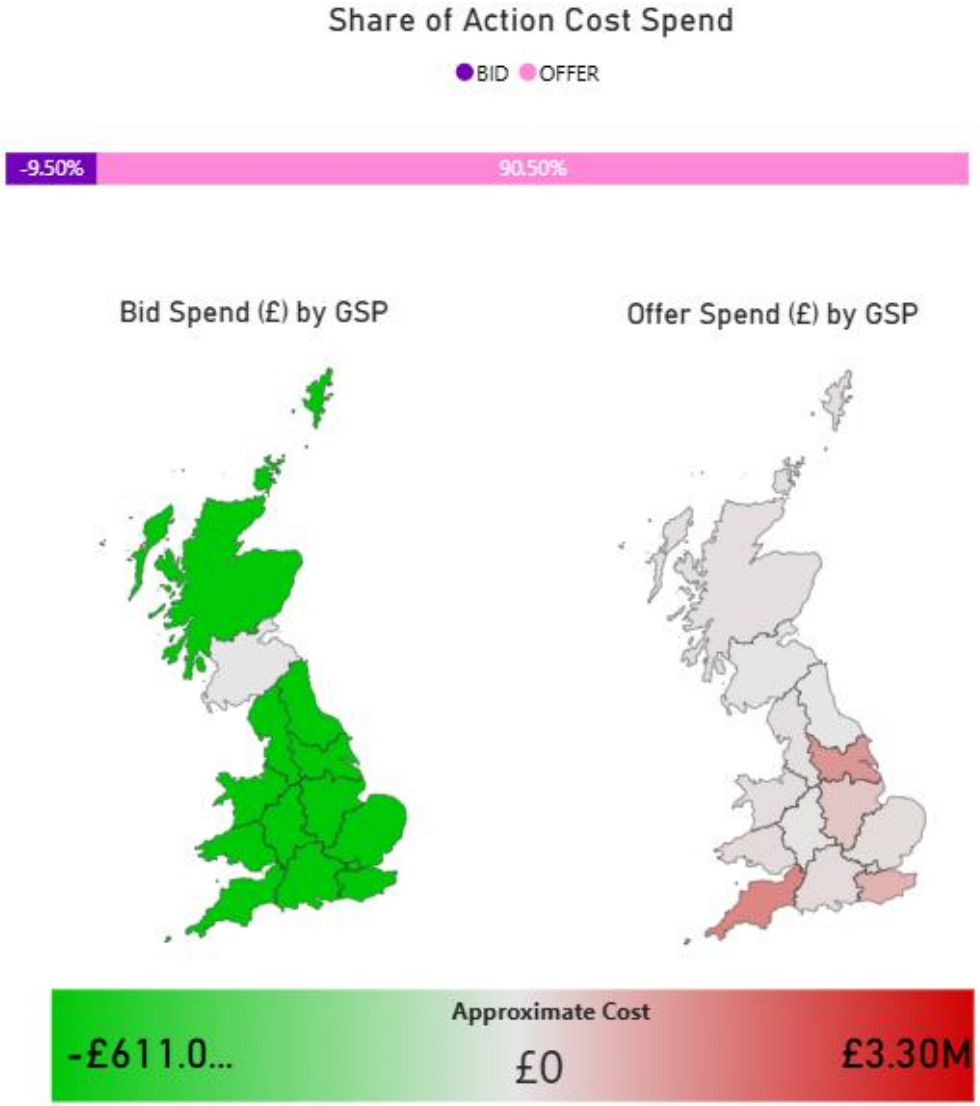
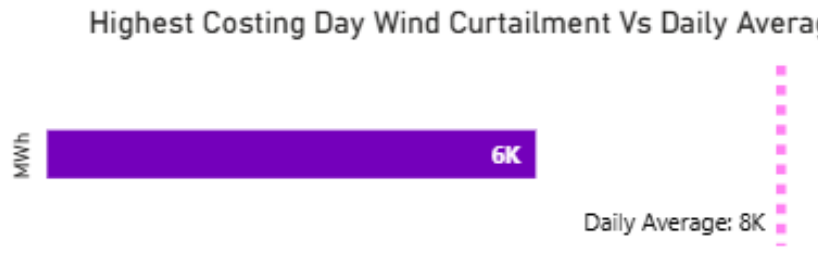
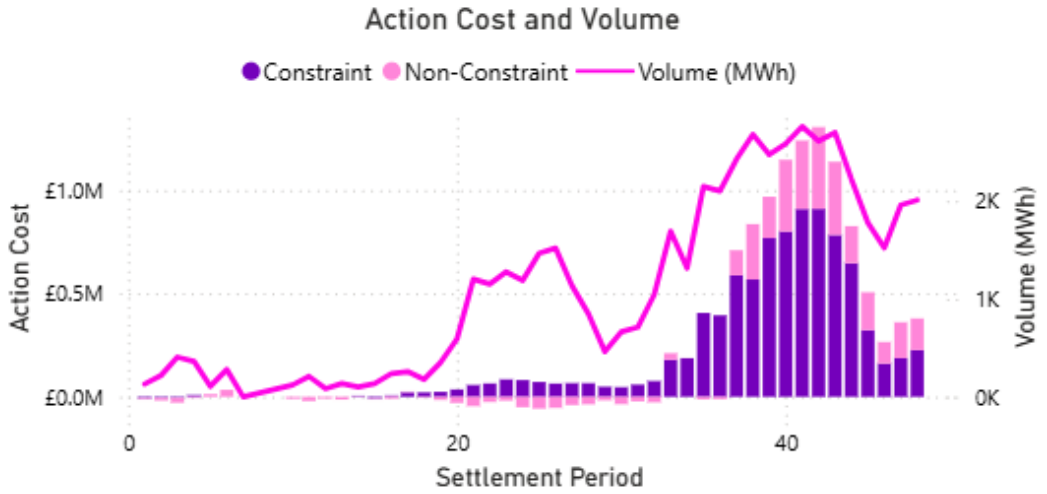
# NESO Actions | Highest Costing Day




| Settlement Date | Cost (£m) |
|---|---|
| 23 June 2026 | £13.45 |

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# Transparency | Network Congestion

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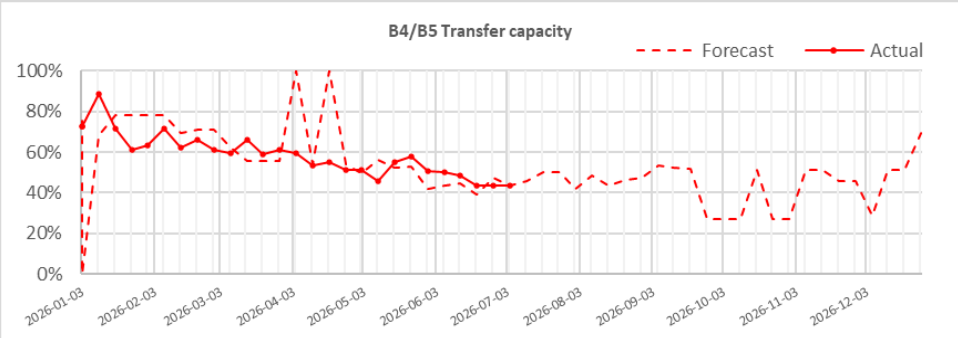
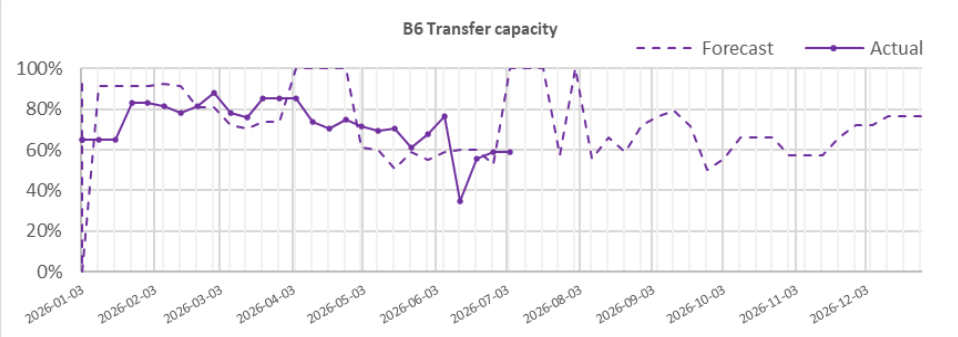
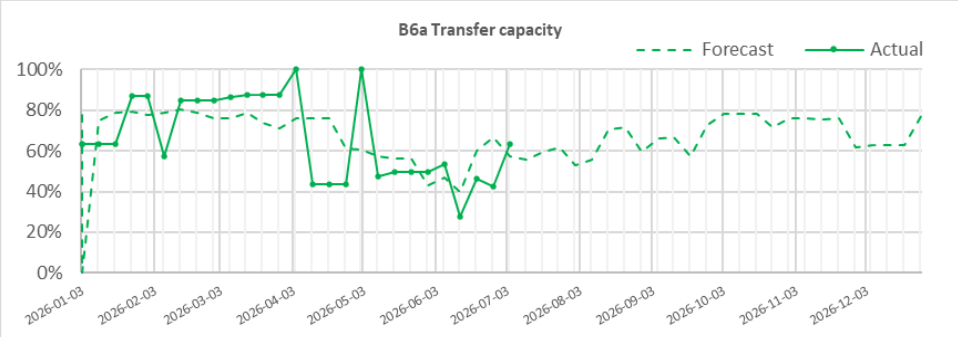
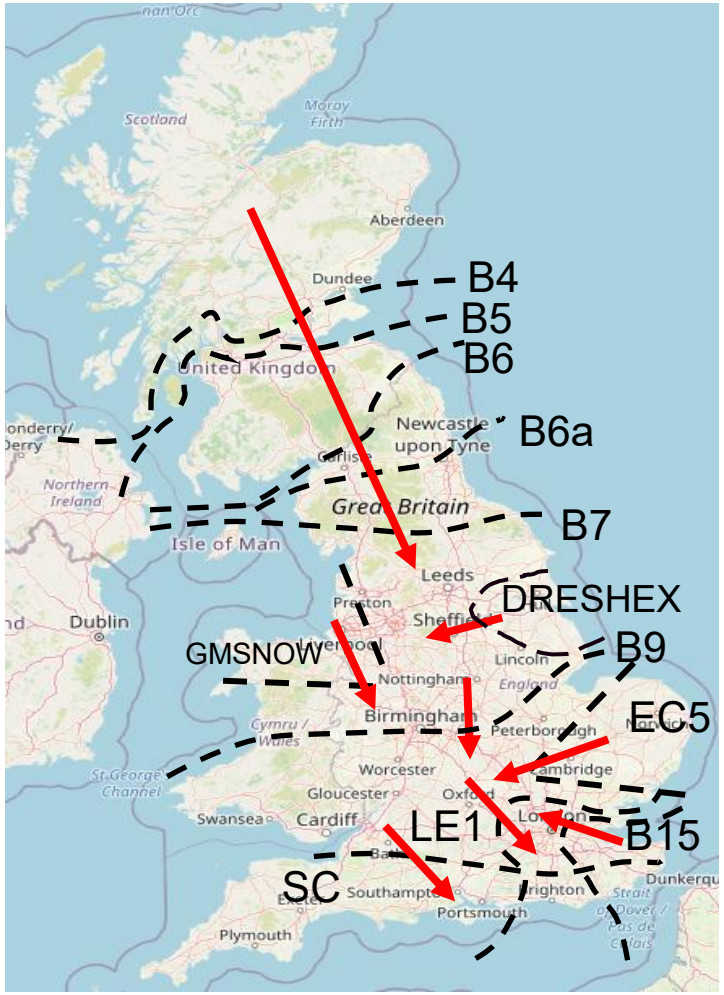



| Boundary | Max. Capacity (MW) | Current Capacity (%) |
|---|---|---|
| B4/B5 | 3400 | 43 |
| B6 (SCOTEX) | 6800 | 59 |
| B6a | 8000 | 63 |
| B7 (SSHARN) | 9850 | 70 |
| GMSNOW | 5800 | 48 |
| FLOWSTH (B9) | 12700 | 81 |
| DRESHEX | 9675 | 63 |
| EC5 | 5000 | 100 |
| LE1 (SEIMP) | 8750 | 69 |
| B15 (ESTEX) | 7500 | 73 |
| SC1 | 7300 | 47 |




The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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# Transparency | Network Congestion

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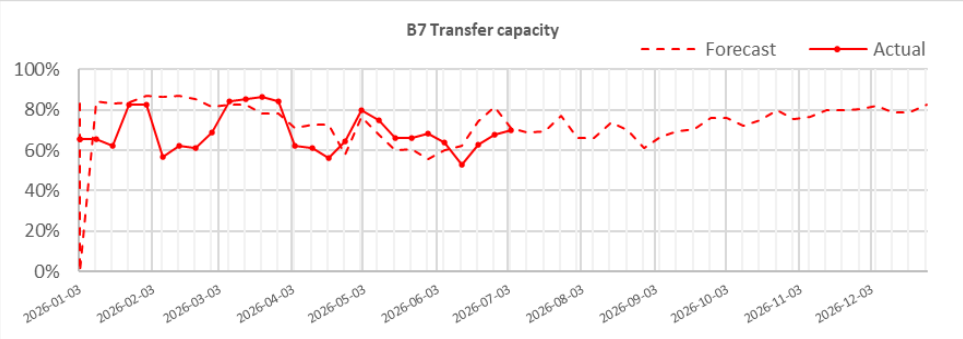


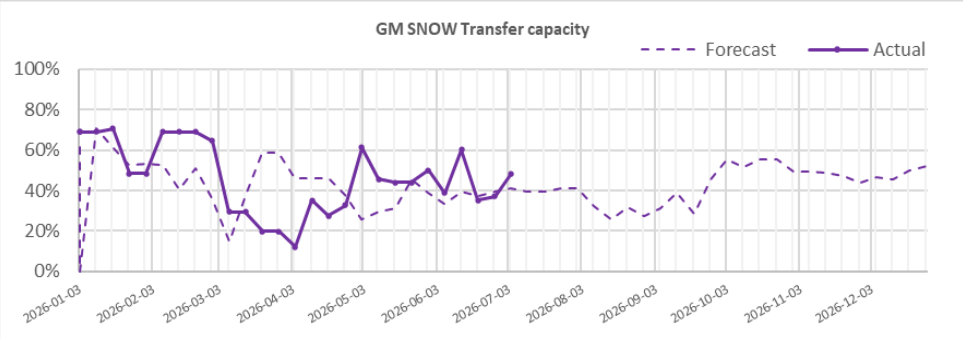


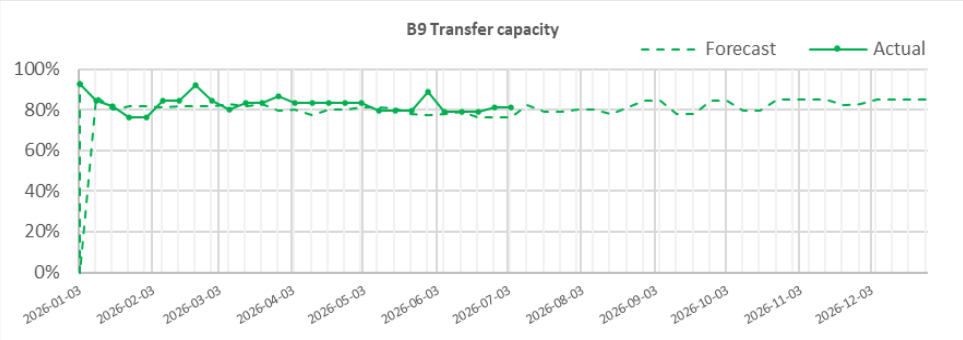


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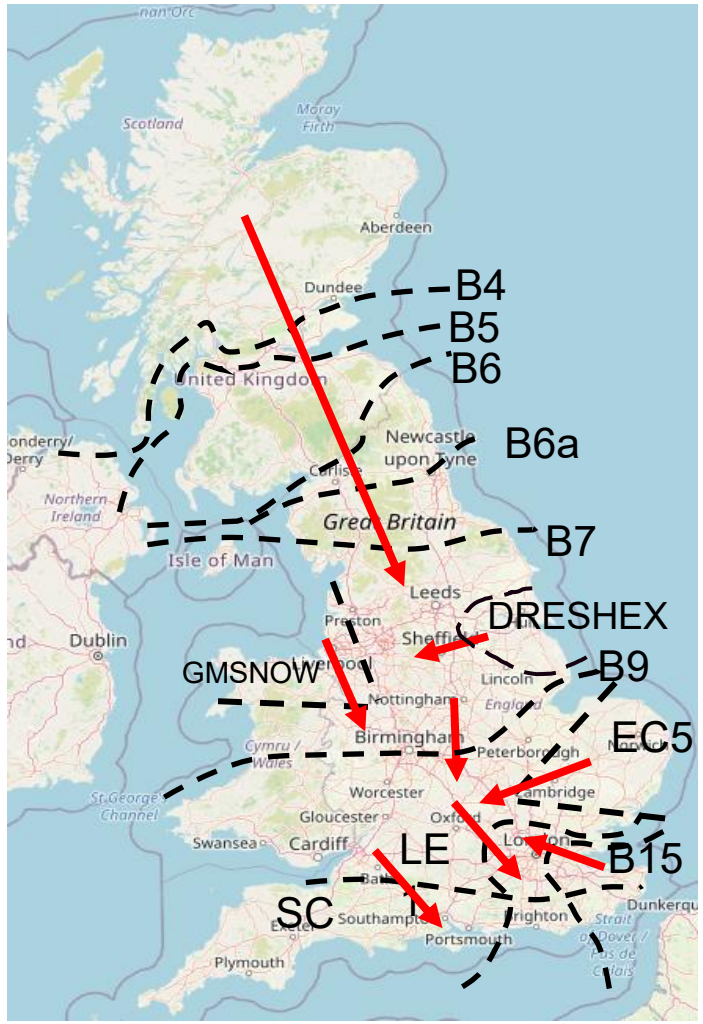
| GMSNOW | 5800 | 48 |
| FLOWSTH (B9) | 12700 | 81 |
| DRESHEX | 9675 | 63 |
| EC5 | 5000 | 100 |
| LE1 (SEIMP) | 8750 | 69 |
| B15 (ESTEX) | 7500 | 73 |
| SC1 | 7300 | 47 |

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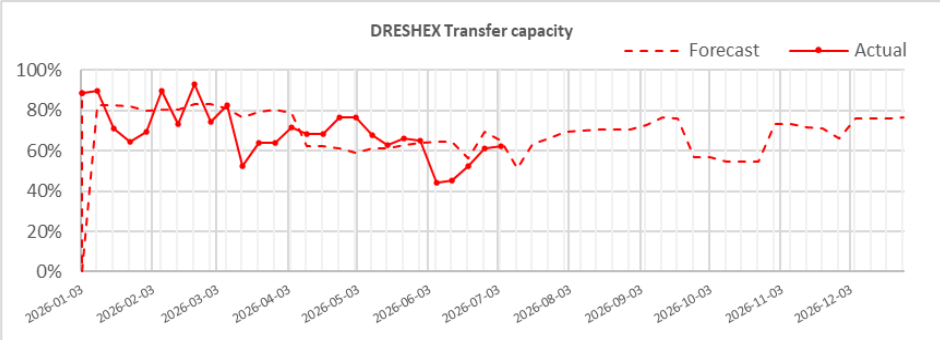
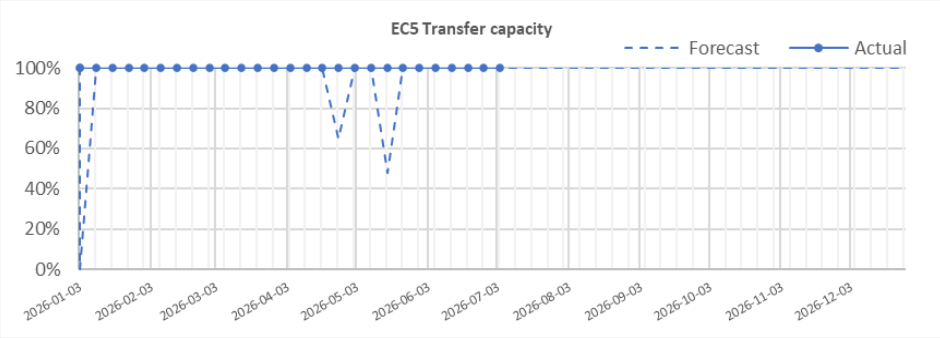
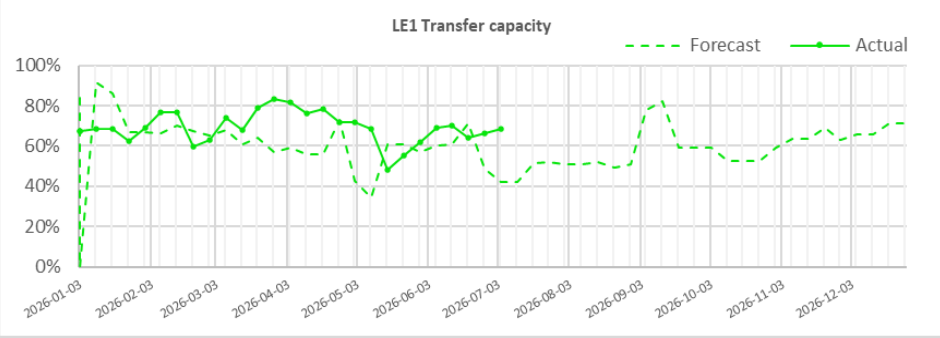
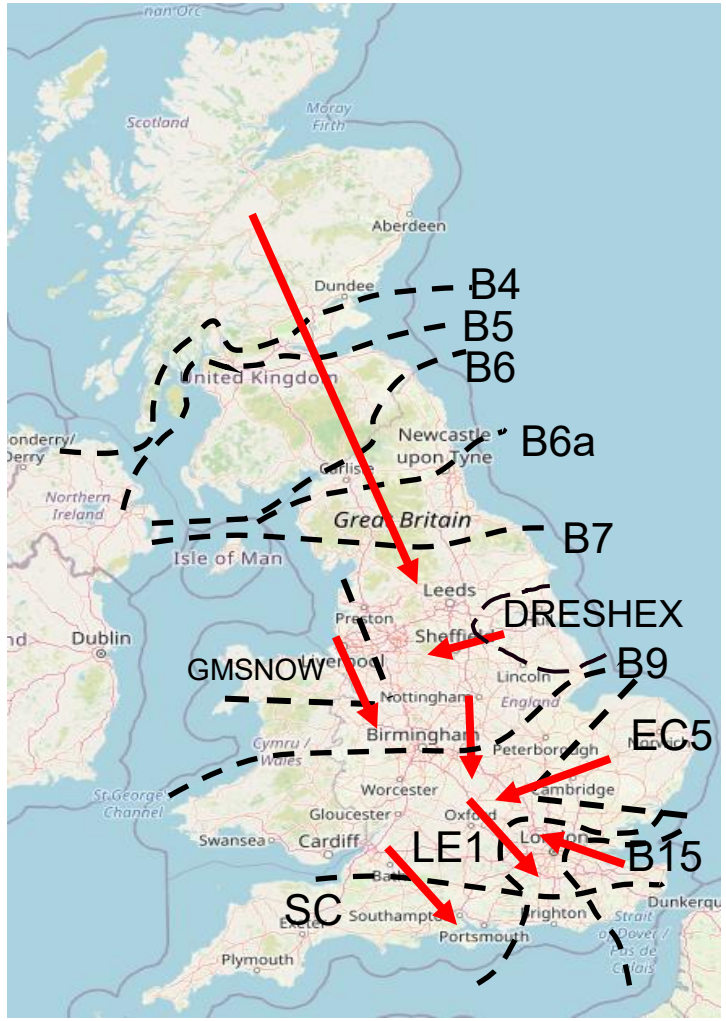
Slido code #OTF




| Boundary | Max. Capacity (MW) | Current Capacity (%) |
|---|---|---|
| B4/B5 | 3400 | 43 |
| B6 (SCOTEX) | 6800 | 59 |
| B6a | 8000 | 63 |
| B7 (SSHARN) | 9850 | 70 |
| GMSNOW | 5800 | 48 |
| FLOWSTH (B9) | 12700 | 81 |
| DRESHEX | 9675 | 63 |
| EC5 | 5000 | 100 |
| LE1 (SEIMP) | 8750 | 69 |
| B15 (ESTEX) | 7500 | 73 |
| SC1 | 7300 | 47 |




The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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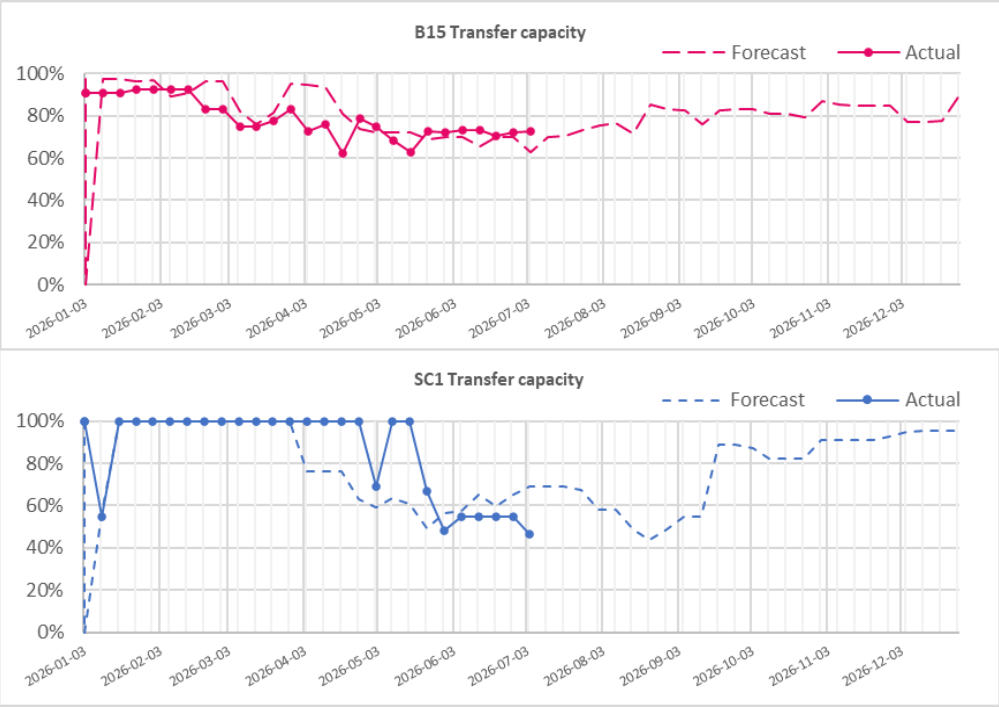
# Transparency | Network Congestion

Slido code #OTF



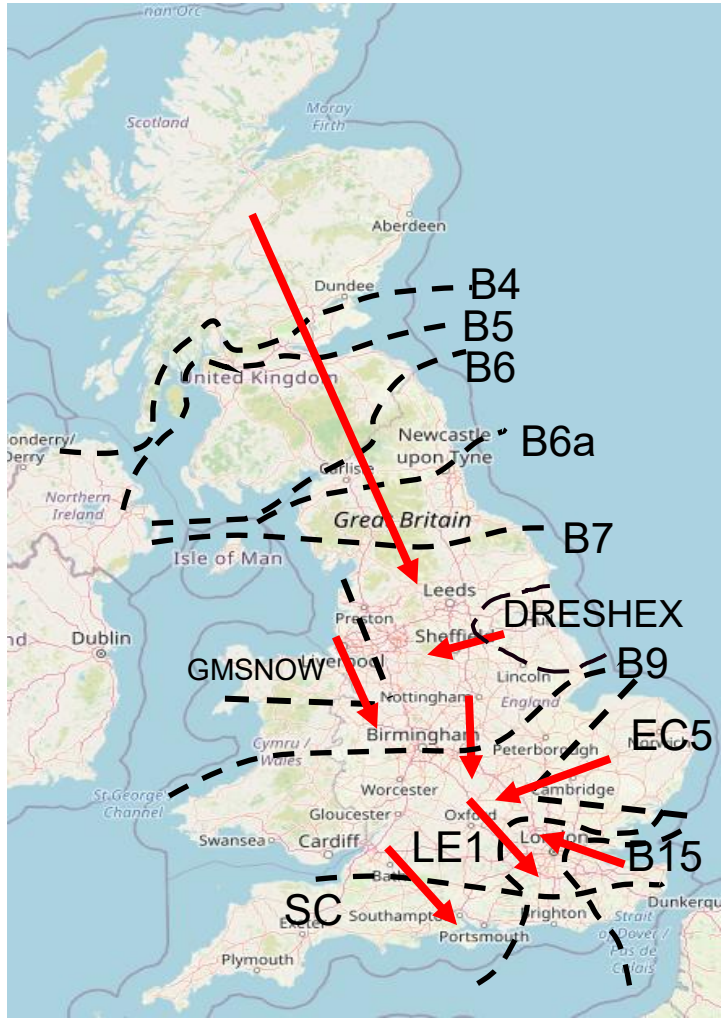

The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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 | 43 |
| B6 (SCOTEX) | 6800 | 59 |
| B6a | 8000 | 63 |
| B7 (SSHARN) | 9850 | 70 |
| GMSNOW | 5800 | 48 |
| FLOWSTH (B9) | 12700 | 81 |
| DRESHEX | 9675 | 63 |
| EC5 | 5000 | 100 |
| LE1 (SEIMP) | 8750 | 69 |
| B15 (ESTEX) | 7500 | 73 |
| SC1 | 7300 | 47 |



# PSA Skip Rates – bids & offers combined

Slido code #OTF

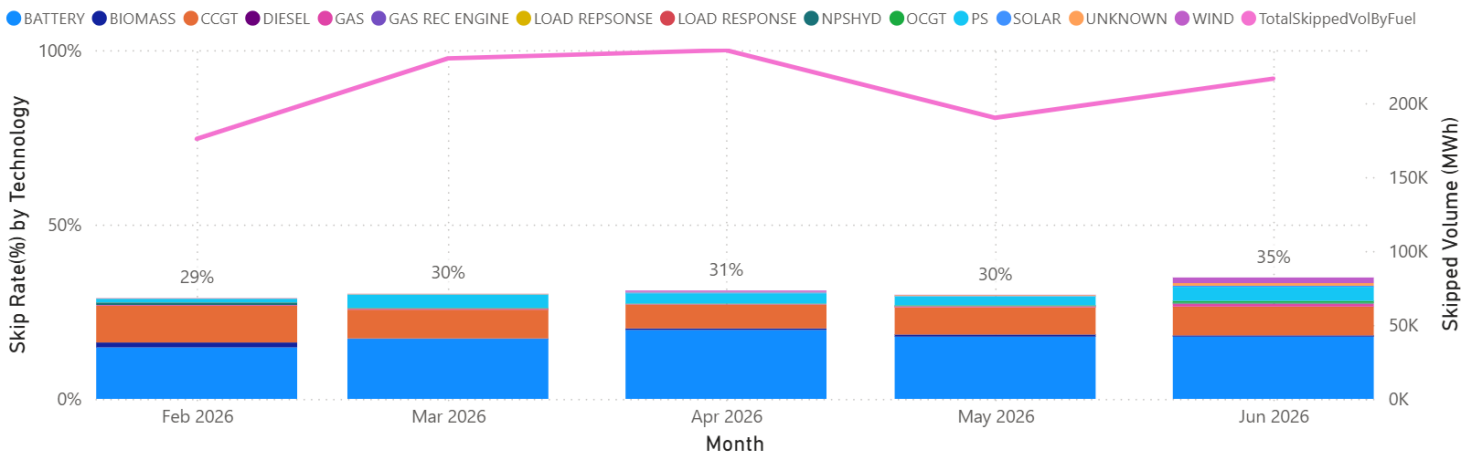
**The current skip rate methodology only considers energy actions within the BM**

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

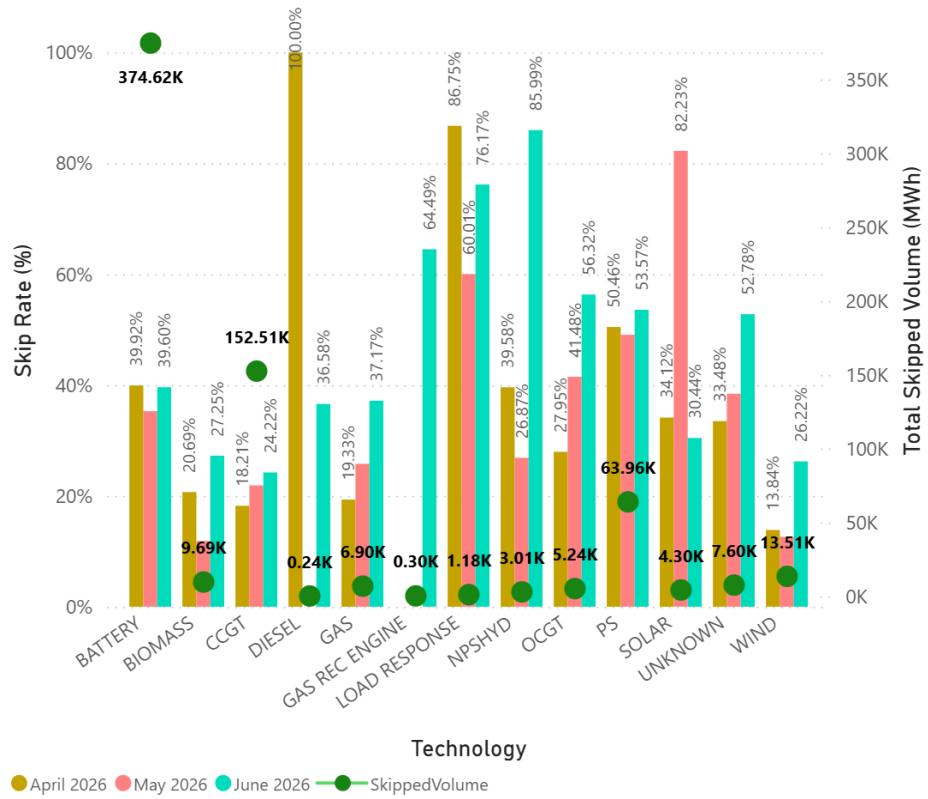
These graphs are based on stage 5 of the Post System Action definition.

| Weekly Average w/e | PSA Skip Rate (%) |
|---|---|
| 07/06 | 32% |
| 14/06 | 33% |
| 21/06 | 35% |
| 28/06 | 39% |

**Relative Technology Skip Rate**




**Technology Specific Skip Rate – last 3 months**




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

Contact us on box.SkipRates@neso.energy

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

Rerecorded deep dive can be found on our webpage: here



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# Previously Asked Questions

Slido code #OTF

**Q (24/06/2026) Lucas White:** Are NESO still planning to publish an updated ETYS by 30 June 2026? Is a related webinar planned or update in OTF?

**A:** The Electricity Ten Year Statement (ETYS) was published as planned yesterday, 30 June 2026, and can be found at Beyond 2030 - Electricity Transmission Update | National Energy System Operator.

**Q (24/06/2026) Dan Grey:** How much have gas-fired power stations had to derate due to the extreme heat today? Is this driving the very high prices after 5pm through the rest of the day?

**A:** Any provider will need to submit accurate Maximum Export Limits to reflect any change in maximum output related to the heat and these are available on the Elexon Insights website. In general, we see reductions of the order of 500MW across the system, but we wouldn't know the specific reason on the day for any redeclaration as it may be heat related or may be for another reason.



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# Previously Asked Questions

Slido code #OTF

**Q (24/06/2026) Archie Stocker:** Is there any update to the Dynamic Line Rating expansion project? Have new sensors been installed yet, or will it take more time before you can start to judge how successful the change is?

**A:** Dynamic Line Ratings (DLR) can help to optimise constraint boundary limits. Sensor based DLR is currently active on 27 circuits, with a total of 40 delivered + planned across priority boundaries.

Further circuit installations in England & Wales are planned for October/November. A staged roll-out in Scotland will take place across 2026-2030. DLR is delivering real benefits and has already contributed to an estimated constraint cost reduction of £36m in 2025.

**Q (24/06/2026) Ben Marshall:** Given existing hot weather, a higher than average frequency of lightning strikes has been cited in the media- could this be a topic for deep dive- interesting from the perspective of DAR, repetitive FRT etc.

**A:** Thank you for the suggestion – we will take it back to the OTF team as a consideration for future sessions.

# Previously Asked Questions



**Q (24/06/2026) Matt Foster:** Are you able to show the avoided cost from hypothetical balancing mechanism actions compared to the stability contract costs (availability and utilisation)

**A:** The avoided cost from hypothetical Balancing Mechanism (BM) actions that NESO use to calculate savings from stability contracts, will use typical values for a unit's inertia contribution, the MW SEL (Stable Export Limit) it would run at to be able to deliver inertia and an approximate Offer price in £/MWh to be instructed in the BM. This cost will change regularly and is an estimation of what NESO could have paid had the contracts not been in place. NESO do not publish these costs are these are estimates and also to maintain competitive tension in our tenders.

**Q (24/06/2026) Milo Karter:** In your answer to one of the IC questions regards taking IC above limit you state "Having assessed the system conditions on 16th June, we were required to take actions on Interconnectors to manage margins." Action for margin isn't system security. So is the limit allowed to be breached for margin?

**A:** The operating margin or system margin represents the differential between total available power generation and real-time consumer demand. This margin enables the grid to accommodate unforeseen disruptions, such as unexpected power plant failures or unanticipated increases in demand.

System margin levels must be maintained at all times and would be considered a system security issue when we don't have enough generation to meet the margin requirement. So, in this instance, trading above Transmission System Operator (TSO) limit is for security.

# Advance Questions

Slido code #OTF

**Q (24/06/2026) Advance Question:** Thank you for providing some context around the interconnector trades on 18 June (in response to a live question during the 24 June OTF). Which constraints were active at the time to prevent NESO from dispatching spare BM units? Could you also confirm that units contracted into reserve services are not considered available for the purposes of forward scheduling.

**A:** While we do not publish specific constraints, we can confirm that multiple constraints were active across several sections of the system on 18th June. We can also confirm that units contracted into reserve services are not considered available for the purpose of forward scheduling, as this would then erode our reserve.

**Q (24/06/2026) Advance Question:** My DCO is due on 9th September. Can I qualify for AR8. Please can you also explain what you are saying - for example, what do you mean by "visibility of bids". Please also give us website addresses - we cannot use the links on screen

**A:** Please could you direct queries regarding Contracts for Difference to the following email address: **box.emr.cfd@neso.energy**

This is to ensure the team can provide the most appropriate guidance to specific customers regarding their eligibility for AR8.

Links to content mentioned in the OTF will often be dropped into the webinar chat box and QR codes provided on screen. However, where neither of these options are available, the webinar slides can be downloaded from our OTF webpage where you will be able to access the hyperlinks: https://www.neso.energy/what-we-do/systems-operations/operational-transparency-forum .

# Advance Questions

Slido code #OTF

**Q (24/06/2026) Advance Question:** On 23/6/2026 around the settlement period boundaries at 19:00 UTC and possibly 18:00 UTC grid frequency fell below 49.7Hz for > 30 seconds. Can NESO confirm that this triggered Static Firm Frequency Response services? My understanding is SFFR is intended as a post fault service. Can you confirm that on these occasions there was no fault, just insufficient generation secured via the BM?

**A:** SFFR is a post fault service, procured to ensure we meet our requirements following infeed losses on the system. The service triggers however once a certain set point of frequency is breached and therefore non-fault situations can lead to SFFR being triggered. Whilst nearly all instances of frequency dropping below the set point are due to an infeed loss, it may be the case that other factors may lead to frequency dropping beyond this point. We recently announced that we will be lowering the trigger level to 49.65Hz, with the intention of dropping to 49.6Hz in the future. One of the reasons was to avoid instances where the service is trigger outside of fault situations, ensuring its delivery is focused to the larger infeed losses and ensuring we meet our vital SQSS requirements in those instances. As for this above-mentioned event, it was caused by a wide range of factors, but NESO did not observe any faults in the system during that event.

**Q (29/06/2026) Advance Question:** Please can NESO provide further information / a deep dive into the EMNs issued last week? Is it typical for NESO to issue an EMN the day before the expected shortfall? How did demand and available generation compare to non-heatwave periods, e.g. the week prior?

**A:** While we are looking forward to do the more detailed deep dive in near future, we request you to please refer to the deep dive we did in past on this topic. Please find a link to the content here: OTF 13/11/2024. Also, you are welcome to read this blog which we published recently: What are system notices? | National Energy System Operator

# Advance Questions

Slido code #OTF

**Q (24/06/2026) Advance Question:** Good morning, NESO appeared to fall short of their procurement target for Positive Slow Reserve in Blocks 5&6 for delivery today 24/06/26; whereas, for Positive Balancing Reserve, NESO appeared to fulfil their procurement target in the same EFA Blocks, but resulted in astronomically high clearing prices.  Why the difference? Thanks

**A**: The EAC platform used by NESO to procure Balancing Services allows co-optimisation across services to maximise Market Welfare, a full definition of this with worked examples can be found here: PowerPoint Presentation

Slow Reserve is a fairly new service having only launched in April this year and therefore has only a small amount of data to train the models. Under normal conditions the model has performed well but is less sensitive to unusual market conditions than Balancing Reserve which is a more mature service having launched in 2024. Therefore, the Balancing Reserve buy price out-turned higher than the Slow Reserve buy price resulting in the auction allocating more volume to Balancing Reserve to deliver higher Market Welfare.

EAC – Enduring Auctions Platform



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# Outstanding Questions

Slido code #OTF

**Q (27/06/2026) Advance Question:** In your report Annual Balancing Services Spend Report 2024 / 2025 https://www.neso.energy/document/371936/download NESO state

“In total, NESO spent £92,012,707.72 on Response services this regulatory year.”

In the Spreadsheet “https://www.neso.energy/document/362571/download

on the tab “Response outturn” the figure for 2024/5 is £197,208,264.10

Can NESO explain the ~£100M difference between these numbers?

There appear to be similar mismatches on other costs between these two documents (e.g. Stability, Voltage and others?) could NESO explain? And can NESO provide a reconciliation spreadsheet showing all figures in both data sets?



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# NESO OTF Q&A Guidelines

Slido code #OTF

- **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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slido

Slido code #OTF

# Audience Q&As

ⓘ Start presenting to display the audience questions on this slide.

# Send us your feedback..

Slido code #OTF

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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National Energy System Operator

# Appendix

# Purpose and scope of the NESO Operational Transparency Forum

Slido code #OTF

**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

Slido code #OTF

**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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