

Public

NESO Operational Transparency Forum

22 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

Slido code #OTF

- **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

Today

- 22nd July
 - Use of Day Ahead Net Transfer Capacity restrictions on Interconnectors
 - June Balancing Costs

Slido code #OTF

Future

- 29th July
 - No OTF (run fortnightly over summer break)
- 5th August
 - Update: Balancing Mechanism Registration process



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

Operational Review & Whistleblower investigation

External Whistleblowing investigation

- Following whistleblower allegations regarding operational decision-making and record-keeping within NESO, an independent external investigation has been launched led by Eversheds Sutherland International which will report to an independent panel
 - Full details of the terms of reference for this investigation are published on NESO's website which you can find here: <https://www.neso.energy/news/external-whistleblowing-investigation>

Post-event regulatory review:

- Ofgem has used its regulatory powers to formally commission NESO to deliver a separate post-event review of the incidents of system stress during extreme heat across the week commencing 22 June.
 - The Terms of Reference for this review have been published on the Ofgem website: <https://www.ofgem.gov.uk/transparency-document/regulatory-review-operation-and-management-electricity-system-during-june-heat-event>
- The Focus Topic on margins during the week commencing 22 June will be delayed until this Ofgem commissioned review concludes

Open letter to industry on DER Participation in NESO Reactive Power Markets

Publication – 6 July 2026

NESO recently published an Open letter to industry on DER Participation in NESO Reactive Power Markets, along with supporting slides and recording.

At this time NESO will not allow Distributed Energy Resources (DERs) and DNO/DSOs to participate in NESO Reactive Power Markets. The reasoning behind this decision explained in the letter.

We will keep this decision under review and welcome further views from stakeholders.

We will be holding an industry Q&A call on 22 July 14:00–15:00.

Please use the links/QR Code on the right to register.

We would encourage you to submit any questions via email to box.voltage@neso.energy, however there will be the opportunity to ask questions on the day.

We'd love to hear your feedback!

Open Letter, slides and recording – see 'Latest news' section

- [NESO Reactive Power Market](#)
- [Open Letter to Industry](#)
- [Supporting slides](#)
- [Recording](#)



22nd July – 14:00–15:00

Industry Q&A call: DER in NESO Reactive Power Markets



To register for the webinar:

- [Use this link](#)

or

- Scan the QR Code

Response Reform Webinar: Dynamic Response

Slido code #OTF

Join us for the Response Reform webinar on 28 July 14:00–15:00

This webinar will provide an update on NESO's current thinking of moving towards 30-minute service windows rather than EFA blocks for the Dynamic Response Services. Including NESO's preferred options on how providers should manage their State of Energy (SoE) and how performance will be assessed.

To register for this webinar, please sign up [here](#).

Please submit any questions via email: box.futureofbalancingservices@neso.energy

Expansion of Final Physical Notification Good Industry Practice Guidance Note to All Fuel Types

Slido code #OTF

- On the 17th of June 2026, we presented to the OTF to launch the consultation on extending FPN accuracy guidance note from wind generation to all fuel types.
- The following documents were uploaded on the [market monitoring webpage](#):
 - Draft Guidance Note – FPN accuracy of BMUs
 - Final Physical Notification (FPN) Good Industry Practice Document Revision Consultation Note
 - Guidance Note Good Industry Practice – changes made
 - 2025 Data Supporting Draft Guidance on FPN accuracy of BMUs
- **This is a reminder to review the consultation and send your responses by 31st of July 2026 to the following address –**
marketreporting@neso.energy
- We encourage all stakeholders to share their feedback, as your input will help us shape the final guidance note and ensure it reflects a wide range of perspectives.

GC0166 goes live: enabling smarter use of limited duration assets

Limited duration assets, such as storage, will be able to provide clearer information on the energy they can deliver over time, supporting smarter decision-making for both real-time balancing and forward system planning (scheduling timescales) in the Balancing Mechanism (BM).

What changed: By the 5th November Lead Parties must submit Maximum Delivery Offer (MDO) and Maximum Delivery Bid (MDB) data in order to comply with the Grid Code.

Guidance & technical documents are available to support participants through the transition:

- **Data Validation, Consistency and Defaulting Rules** – Covers the rules on the submission of MDO and MDB – available [here](#).
- **EDL Message Specification** – Defines the message structure used on EDL for MDO and MDB – available [here](#).
- **WA API Message Specification** – Defines the message structure used for MDO and MDB for WA API – this is accessible on the WA API Developer's Portal.
- **MDO/MDB Best Practice Guidance (Version 2)** – Supplementary information to support industry incorporating enhancements proposed by industry participants – available [here](#).

Rollout: Phased adoption is underway with 5 units across 4 lead parties submitting MDO/MDB. Implementation will continue in waves; we are currently working with lead parties, optimisers and software suppliers to agree transition plans for their respective units.

Not heard from NESO? If you're organisation is operating as the Lead Party for limited duration assets, which are live in the Balancing Mechanism, please contact the team at: Box.OBP_EDT.EDL@neso.energy

Restoration Services

Voluntary Request for Information (RFI)

Slido code #OTF

On 17 June 2026, NESO launched a voluntary Request for Information (RFI) to gather market feedback on emerging commercial and procurement concepts for Restoration Services

The RFI is intended to help inform future market design and the subsequent consultation phase

Key Information

- Response deadline: **Friday 7 August 2026**
- Query deadline: Tuesday 28 July 2026
- Documents: [Restoration Services Voluntary RFI Documents](#)
- Queries and Feedback Proformas should be sent to Box.Restoration@neso.energy, with emails including “Restoration Services RFI 2026” in the subject line

Webinar: Dispatch Transparency

Please join us for an update on the Storage Behind Constraints review following our industry workshops held in March and April:

Thurs 6 Aug , 14.00 to 15.00
Storage Behind Constraints
Industry Update Webinar

[Register here](#)

Please register using the link above and a pre read will be circulated ahead of the webinar.



Future Event Summary

Slido code #OTF

Event	Date & Time	Link
DER Participation in NESO Reactive Power Markets webinar	22 July (14:00–15:00)	Register here
Response Reform: Dynamic Response webinar	28 July (14:00–15:00)	Register here
Consultation on extending FPN accuracy guidance note	Close 31 July	Consultation documents
Restoration Services	Close 28 July	RFI Documents
Webinar: Dispatch Transparency	6 August (14:00–15:00)	Register Here

Check out the [NESO Events Calendar](#) for more...

Use of DA NTC restrictions on Interconnectors

- NESO has access to mechanisms to restrict the **Day-ahead (DA)** capacities of some GB interconnectors via **Net Transfer Capacity (NTC)** restrictions.
- The interconnectors with DA NTC mechanisms available are **North Sea Link (NSL)**, **Viking Link**, **NEMO** and **ElecLink**. The other interconnectors do not have the mechanism available.
- NESO will use DA NTC restrictions more regularly from the **operational day** of **Friday 24th July 2026** (*operational day will start at 23:00 on Thurs 23rd July 2026*)
- DA NTC restrictions may be required to guarantee the security of the GB system, should available intraday options not provide this certainty.
- The calculation of restrictions will be according to available day-ahead forecasts and resulting plans of GB system conditions at the time of calculation (*as has always been the case to date for Intraday NTC restrictions*).
 - Should these conditions change as timescales develop, any newly available capacity will be released in intraday timescales.
 - As timescales progress to intraday, further restriction mechanisms become available on IFA, IFA2 and BritNed (Intraday Trading Limits – ITLs). To ensure continued fairness, NESO will at this stage re-calculate the application of the required restricted volume, taking account of the additional mechanisms available to ensure the restrictions are still applied equitably across all available interconnectors.
- **Fairness** – restrictions to DA capacity will be applied equitably across all available interconnectors.
 - Equitably means that the total restriction would be spread across all those interconnectors which can provide the required level of security, according to the capability of each interconnector declared at the 2-day-ahead stage.
- **Transparency** – restrictions submitted by NESO will be publicly available on the [Interconnectors section](#) of NESO's Data Portal
- Any compensation for NTC restrictions applied by NESO will be made in accordance with the [Methodology for GB Commercial Arrangements relating to Interconnector Capacity Calculation](#), available on the NESO website.
- For more detailed information on:
 - NTC and ITL restrictions, please see NESO's previous OTF interconnector deep-dive, available on the NESO OTF webpages ([slides 28–30 from OTF on 5th March 2025](#));
 - How NESO calculates NTC restrictions, the factors considered and explanation of system security relating to NTCs, please see NESO's [GB NTC Calculation Policy](#), available on the NESO website;

Public

Monthly Balancing Cost Update

June 2026

Cost and Operational Insights Team
James West

Monthly Cost Summary

Slido code #OTF

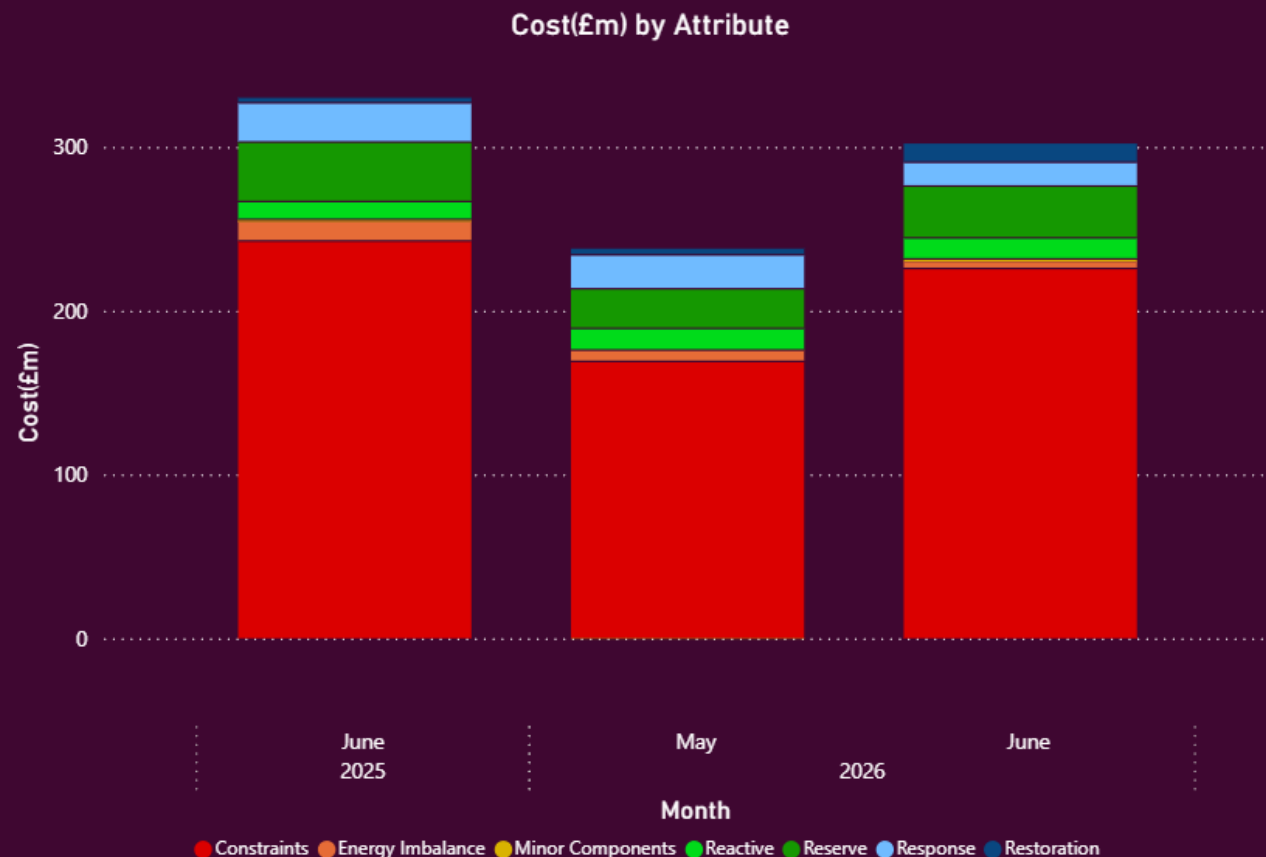
Balancing costs in June 2026 were £302m.

This was an increase of £64m on last month and a decrease of £28m from June last year.

Higher wind curtailment and an increase in temperatures across the latter half of June led to an increase in balancing costs compared to May.

Non-constraint costs have increased by £8m due to higher spending on Operating Reserve and Restoration, and an increase in the absolute volume of actions taken.

With higher demand levels, higher power prices and greater embedded generation on the system, voltage and inertia costs have increased from May.



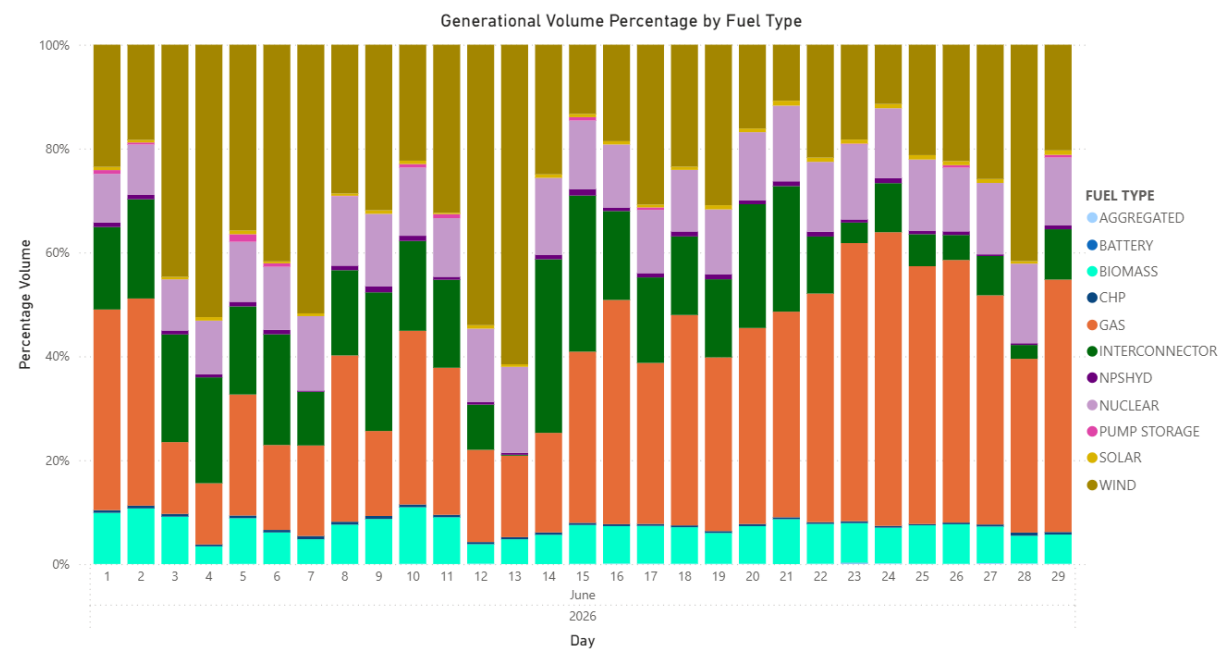
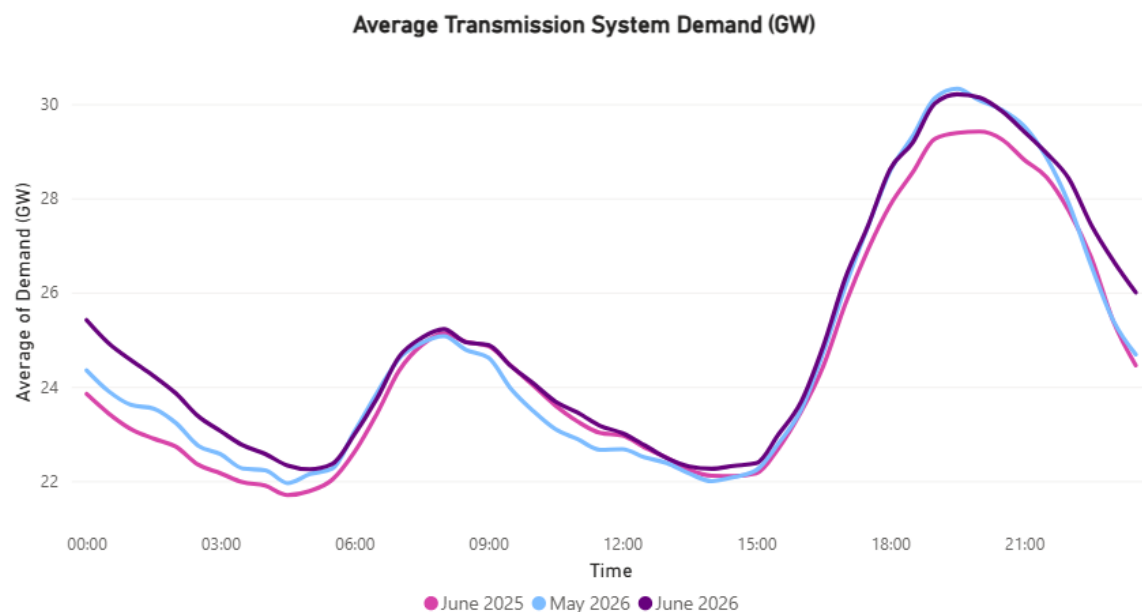
Voltage: £34.3m ↑

Thermal: £181.3m ↑

Inertia: £8.0m ↑

System Conditions

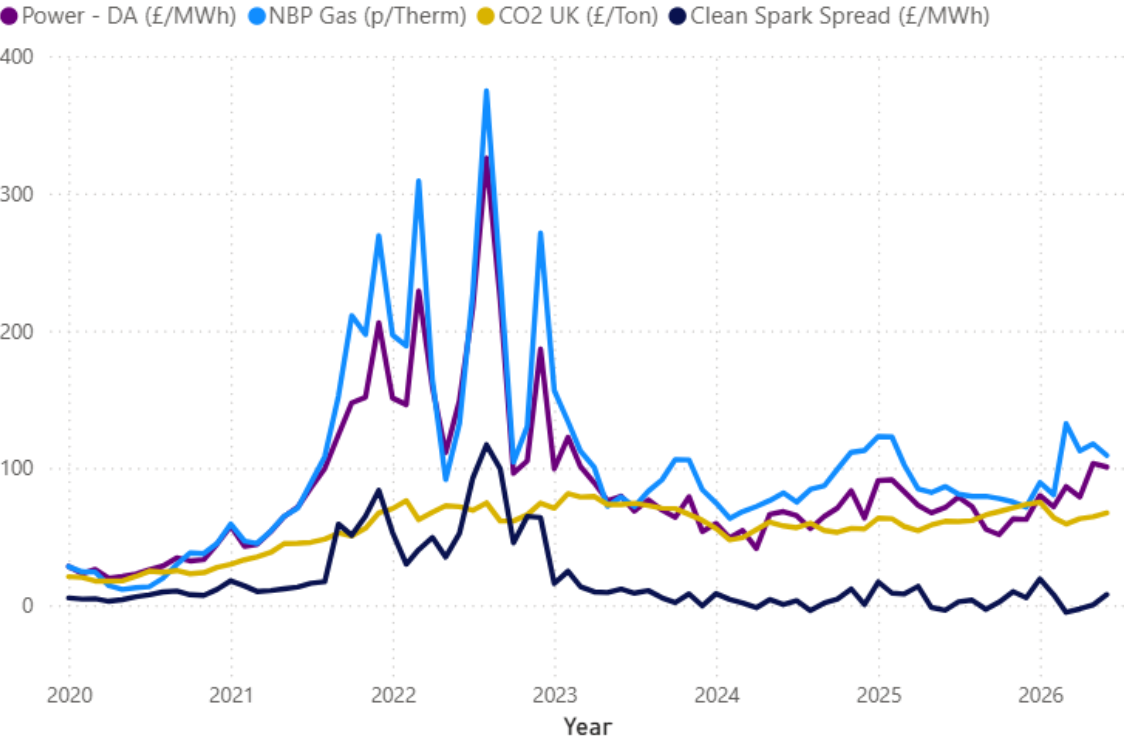
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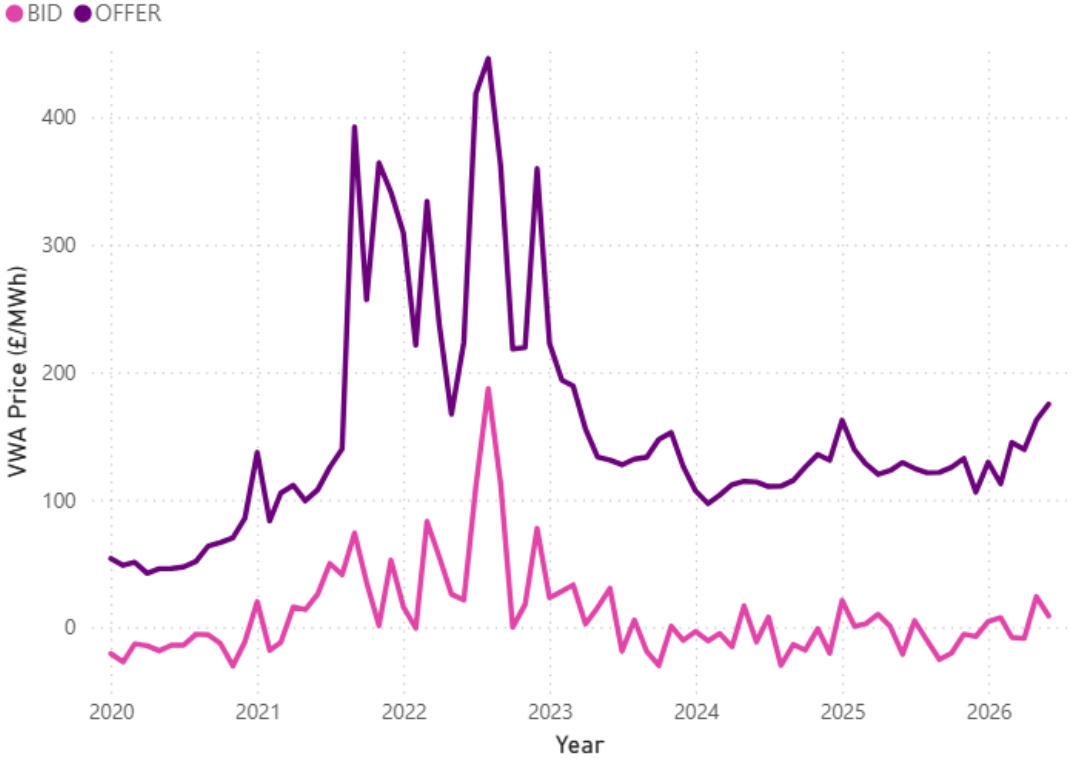
Market Conditions

	DA Power Price	VWA offer price	VWA bid price
M-o-m change	↓ -£3/MWh	↑ +£13/MWh	↓ -£15/MWh
Y-o-y	↑ +£30/MWh	↑ +£46/MWh	↑ +£30/MWh

Day Ahead Market Trends (2020-2026)



VWA Prices for Bids and Offers



Daily Costs and Volumes

The highest cost day was 28th June at £23.4m.

That date had the fourth highest spend on constraints (£19.8m) of the month, or 85% of total spending.

Daily average cost was £10.1m, approximately a £2.4m increase on the previous month.

There was an increase of 450GWh in the absolute volume of actions from May, contributing to the rise in costs.

Key trends from previous month:

	Constraint	Non-constraint
Cost	↑ +34%	↑ +11%
Volume	↑ +17%	↑ +15%

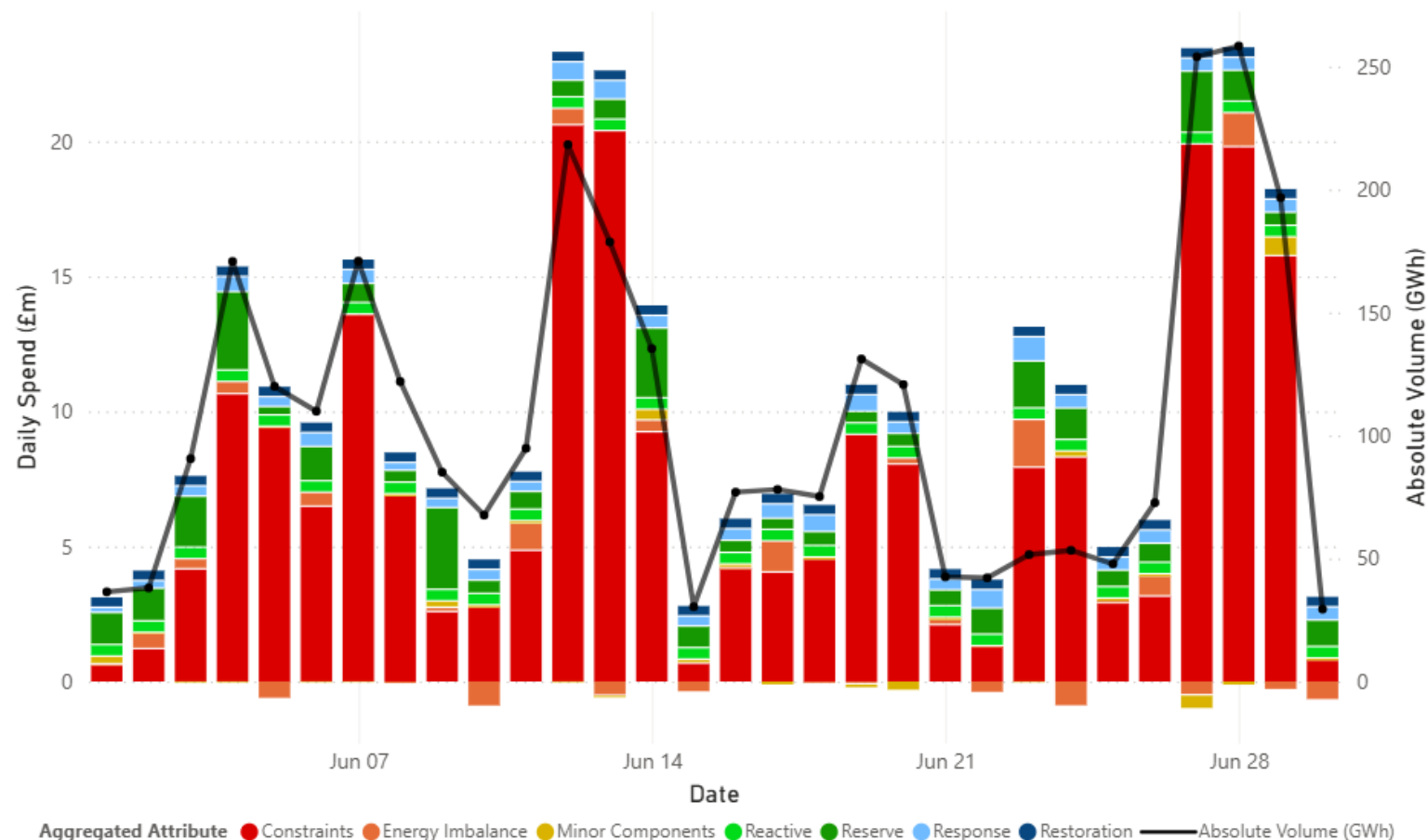


Daily average cost:

£10.1m

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Daily Cost and Volume by Action Type



Wind Outturn

Overall wind outturn increased from 4.4 TWh in May to 4.6 TWh in June. June had more unsettled and windy conditions in the first half of the month, followed by hotter temperatures in the second half.

There was a 118GWh increase in the amount of wind curtailment compared to May but a 442GWh decrease from June 2025.

The highest volume wind curtailment days were seen largely during the end of the month:

- 27th June (94GWh) – Third highest cost day
- 28th June (87GWh) – Highest cost day
- 12th June (82GWh) – Second highest cost day

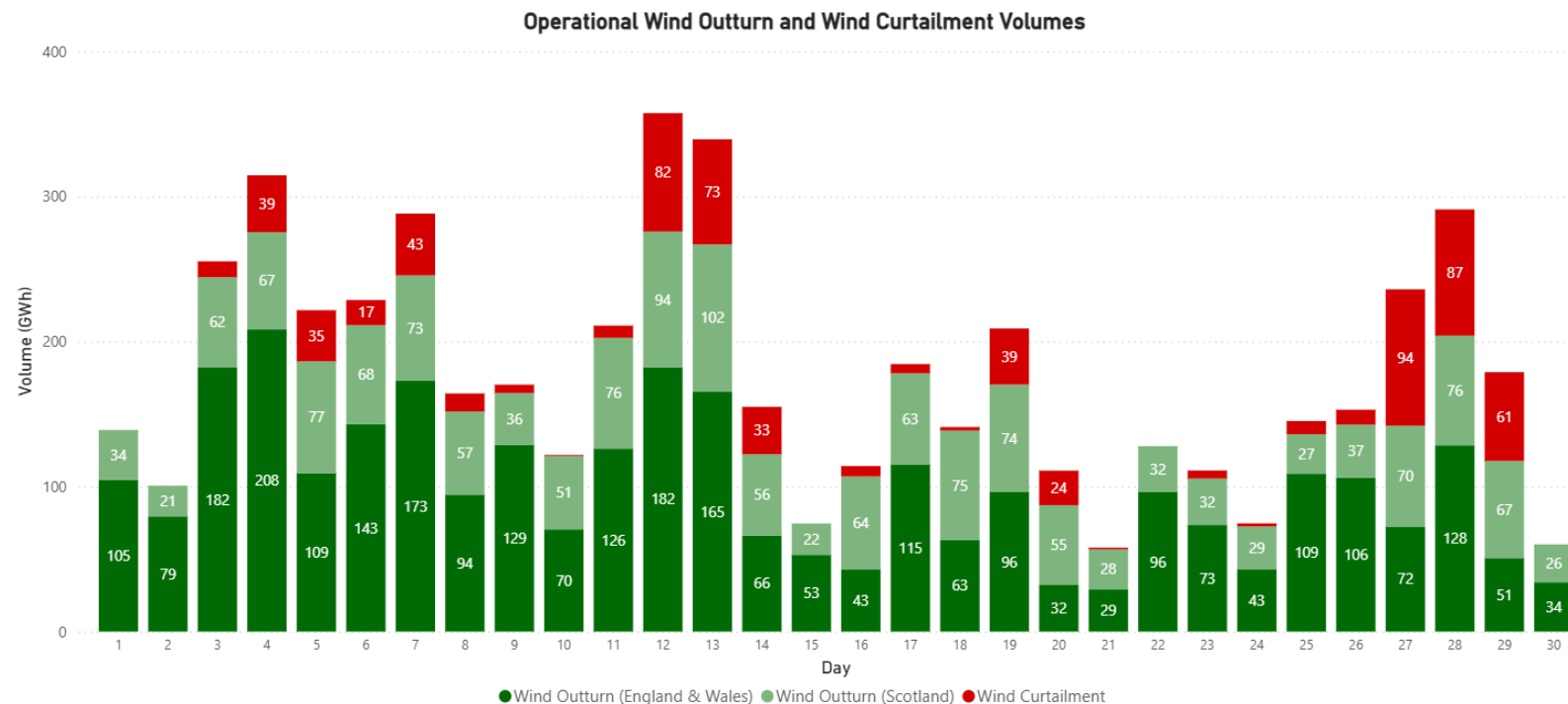
	Total	England & Wales	Scotland
Wind Outturn (GWh)	4629	2978	1651
Wind Curtailment (GWh)*	709	40	662



Monthly wind curtailment %:

13.3%

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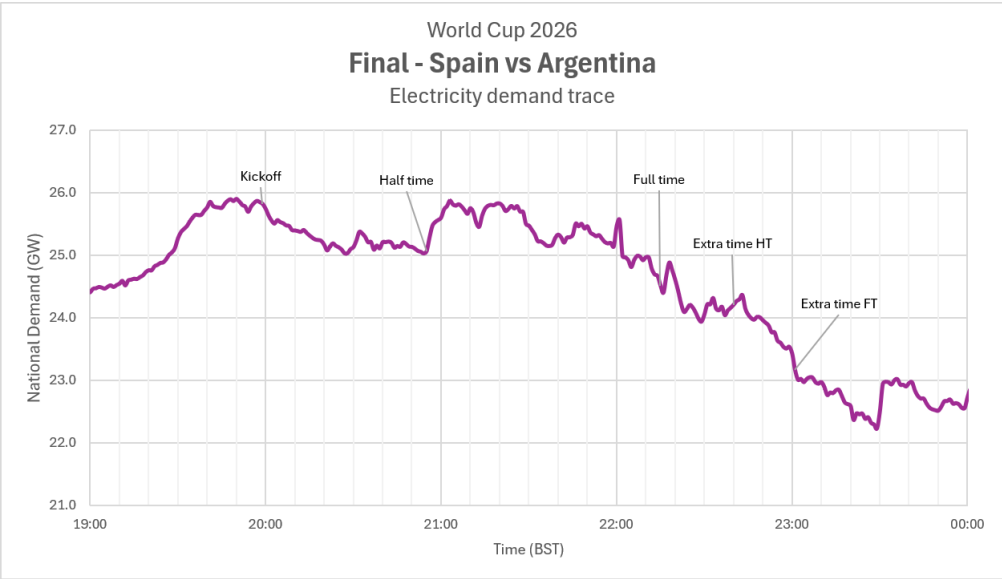
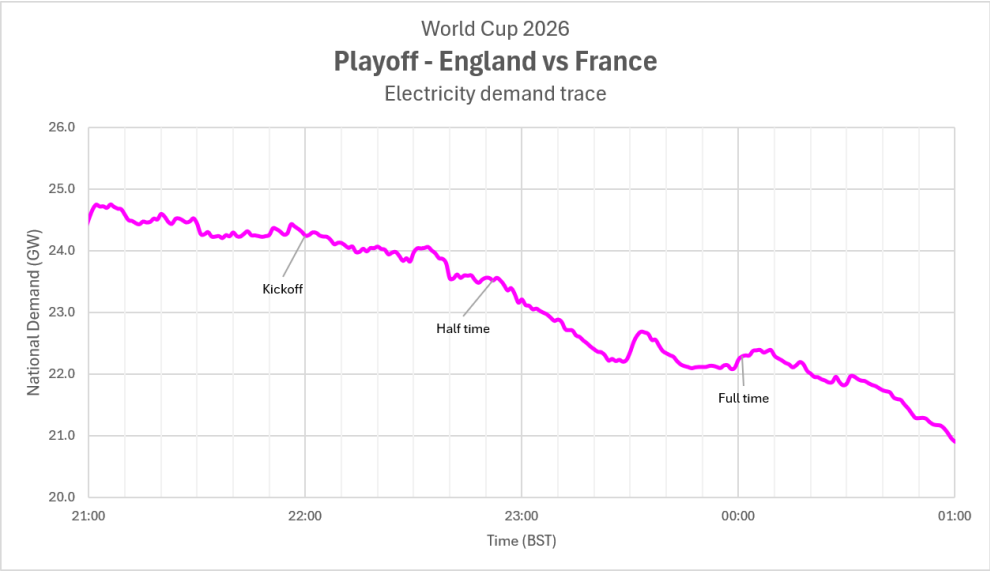
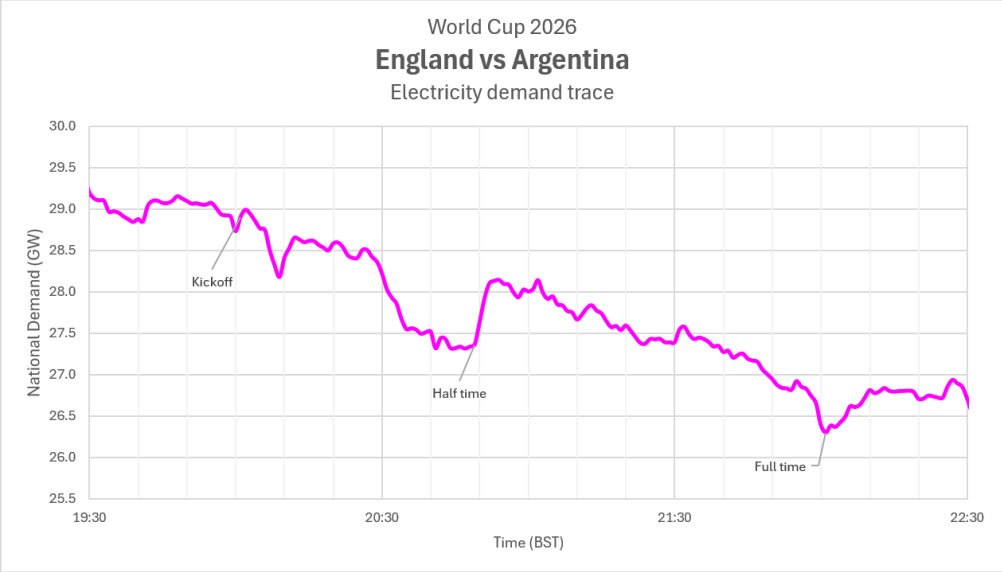


*These figures may not match exactly due to data categorisation.



Demand | World cup TV Pickups

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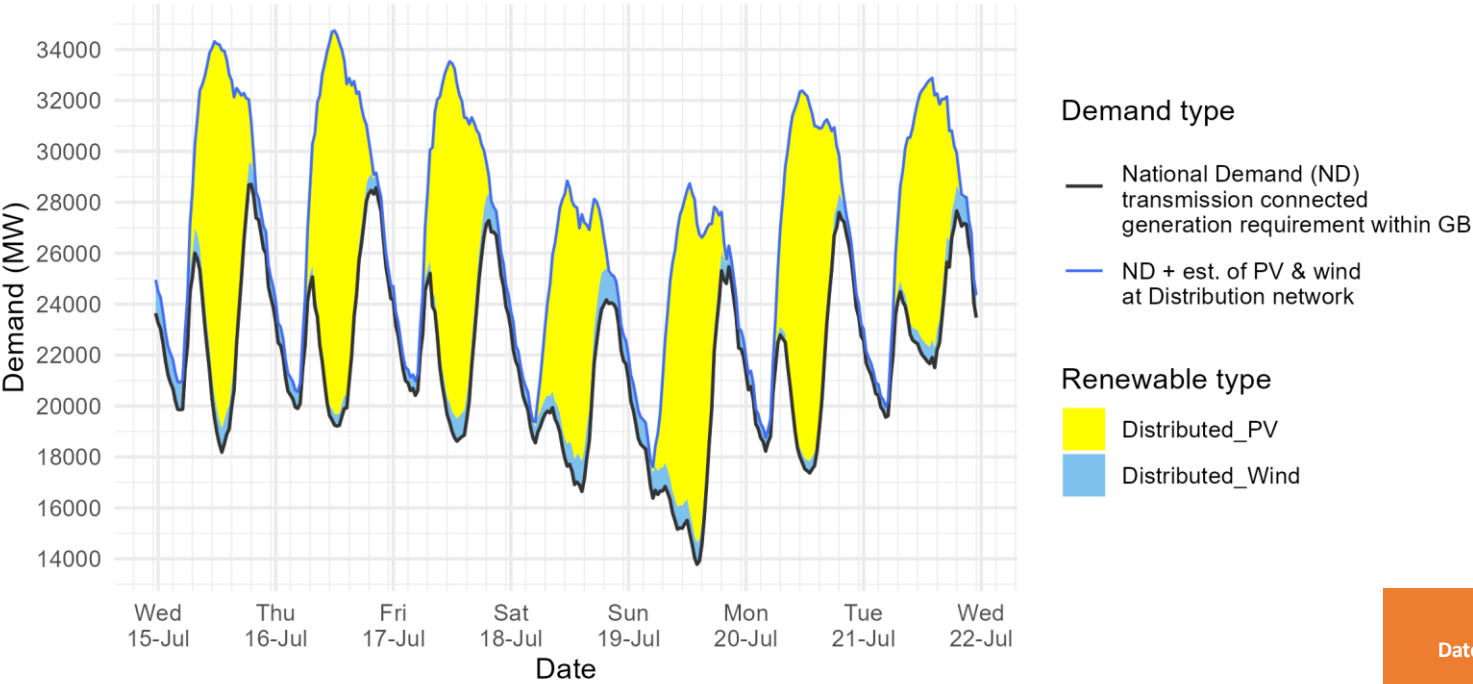
	Pickup (MW)		
Break	ENG vs ARG	ENG vs FRA	SPA vs ARG
Half-time	800	<100	800
Full-time	500	100	400
Extra time HT			200
Extra time FT			0



Demand | Last week demand out-turn

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NESO National Demand outturn 15 - 21 July 2026



Distributed generation
Peak values by day

Date	OUTTURN	
	Daily Max Dist. PV (GW)	Daily Max Dist. Wind (GW)
15 Jul 2026	14.8	1.3
16 Jul 2026	15.0	0.8
17 Jul 2026	13.7	1.1
18 Jul 2026	10.3	1.4
19 Jul 2026	13.2	1.1
20 Jul 2026	14.3	0.8
21 Jul 2026	10.5	1.1

National Demand
Minimum Demands

Date	Forecasting Point	FORECAST (Wed 15 Jul)			OUTTURN		
		National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
15 Jul 2026	Daytime Min	19.0	0.8	14.0	18.2	0.9	14.8
16 Jul 2026	Overnight Min	20.8	0.6	0.0	19.9	0.7	0.0
16 Jul 2026	Daytime Min	20.1	0.4	13.6	19.2	0.5	14.9
17 Jul 2026	Overnight Min	20.5	0.6	0.0	20.4	0.6	0.0
17 Jul 2026	Daytime Min	20.2	0.7	12.7	18.6	0.9	13.1
18 Jul 2026	Overnight Min	19.0	0.8	0.4	18.6	0.6	0.2
18 Jul 2026	Daytime Min	16.0	0.7	12.2	16.6	1.2	9.7
19 Jul 2026	Overnight Min	17.5	0.6	2.0	16.4	1.0	0.2
19 Jul 2026	Daytime Min	15.4	0.5	12.3	13.8	0.9	12.5
20 Jul 2026	Overnight Min	18.8	0.4	0.0	18.2	0.5	0.0
20 Jul 2026	Daytime Min	19.4	0.4	12.1	17.4	0.5	14.0
21 Jul 2026	Overnight Min	19.6	0.4	0.0	19.6	0.4	0.0
21 Jul 2026	Daytime Min	21.5	0.5	10.3	21.5	0.8	9.9

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.

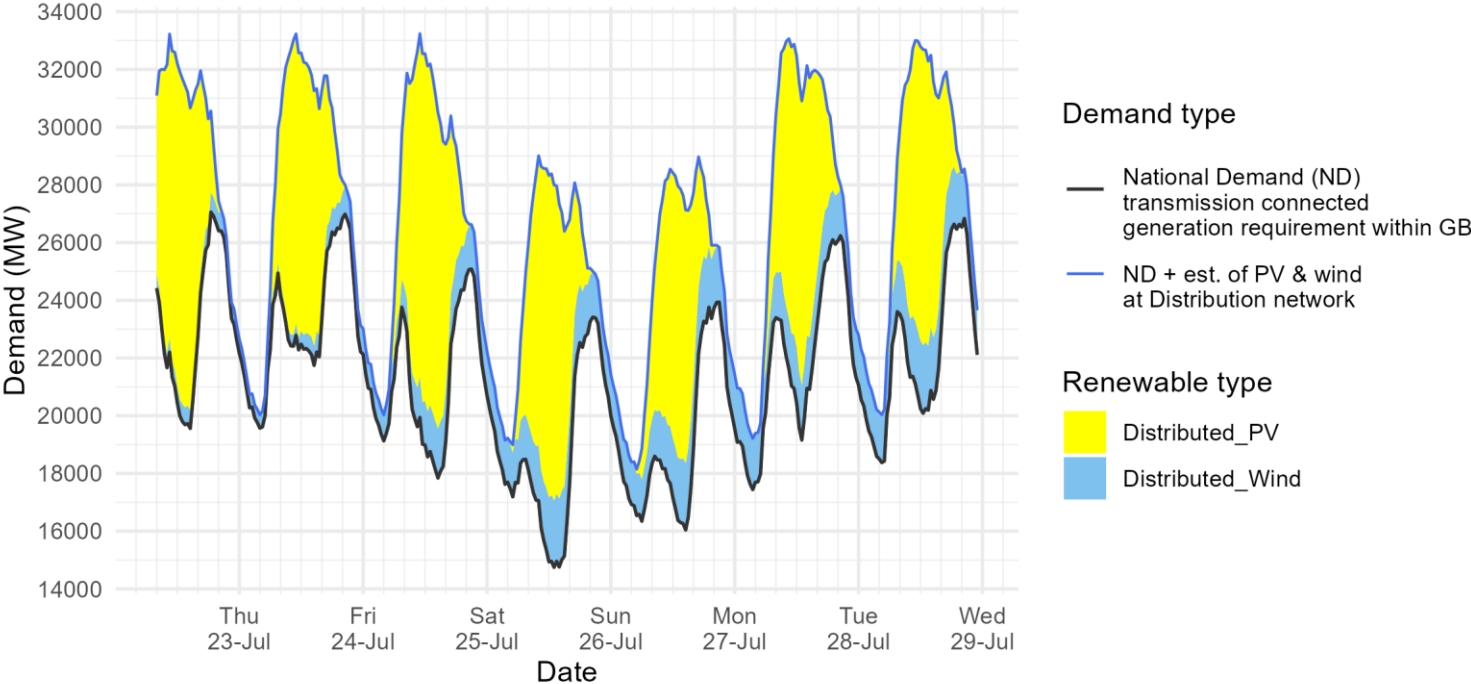
Historic out-turn data can be found on the [NESO Data Portal](#) in the following data sets:
[Historic Demand Data & Demand Data Update](#)

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.



Demand | Week Ahead

NESO Demand forecast for 22 - 28 July 2026



	Datetime	Demand (GW)
Weekly Min	25 Jul 2026 14:00	14.7
Weekly Peak	22 Jul 2026 19:30	27.1

National Demand

Minimum Demands

Date	Forecasting Point	FORECAST (Wed 22 Jul)		
		National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
22 Jul 2026	Daytime Min	19.6	0.6	10.5
23 Jul 2026	Overnight Min	19.6	0.5	0.0
23 Jul 2026	Daytime Min	21.7	0.7	8.8
24 Jul 2026	Overnight Min	19.1	0.9	0.0
24 Jul 2026	Daytime Min	17.8	1.7	10.9
25 Jul 2026	Overnight Min	17.2	1.5	0.3
25 Jul 2026	Daytime Min	14.7	2.3	10.9
26 Jul 2026	Overnight Min	16.3	1.5	1.1
26 Jul 2026	Daytime Min	16.0	2.3	8.8
27 Jul 2026	Overnight Min	17.4	1.8	0.0
27 Jul 2026	Daytime Min	19.2	1.9	9.8
28 Jul 2026	Overnight Min	18.4	1.6	0.0
28 Jul 2026	Daytime Min	20.1	2.4	10.2

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

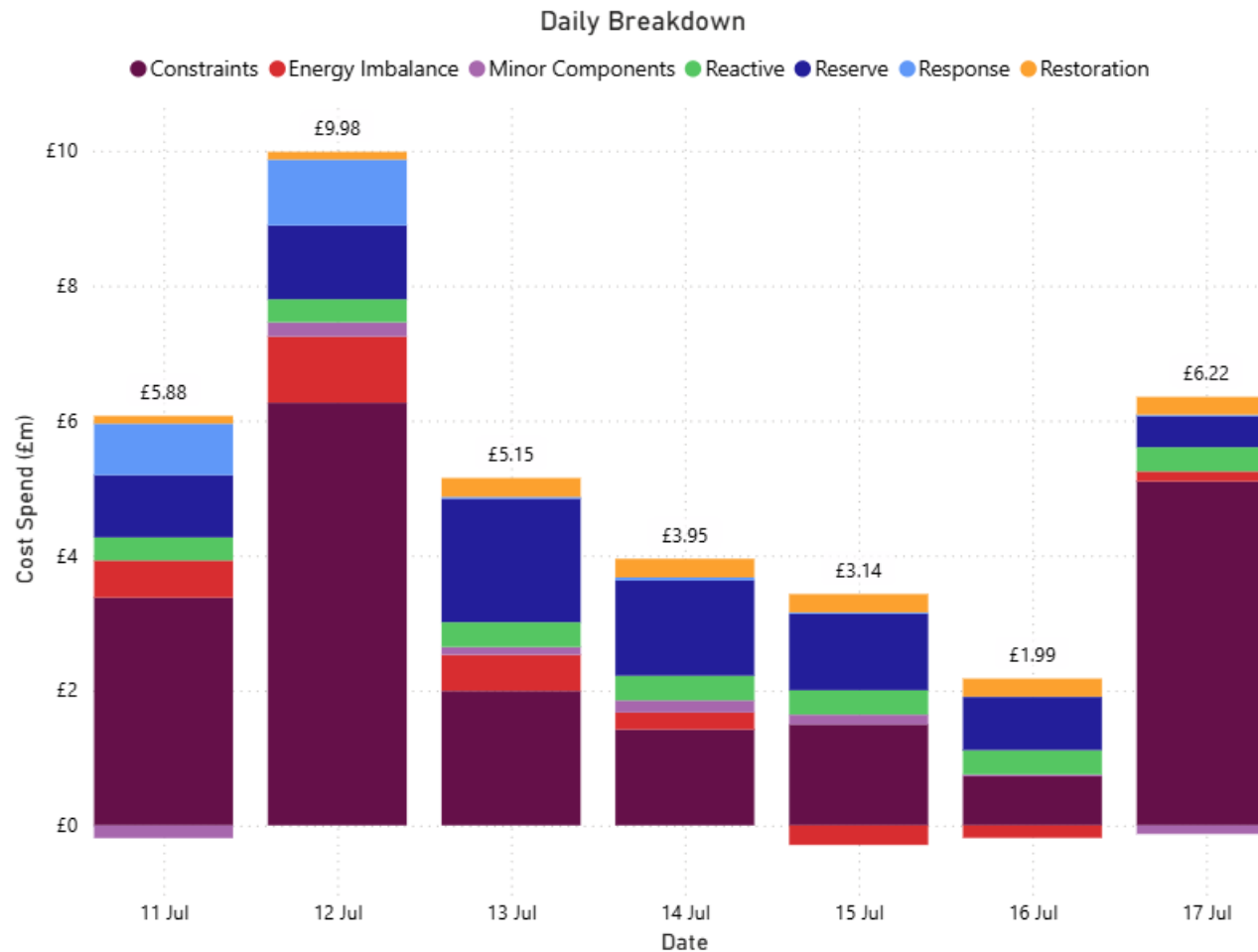
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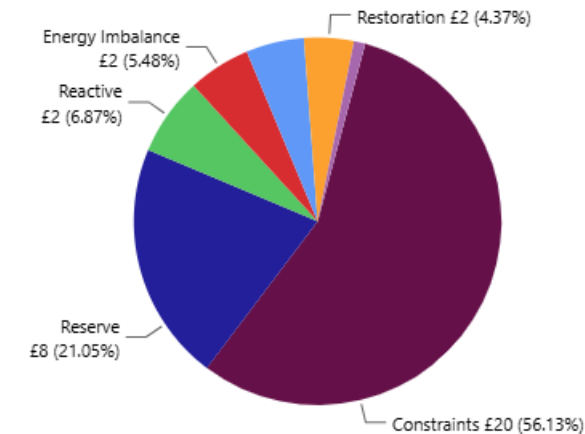
NESO Actions | Category Cost Breakdown

Slido code #OTF



Current Week Total (£m)	Average Daily Cost (£m)
£36.32	£5.19
Previous Week Total (£m)	Previous 30 Day Average (£m)
£72.28	£11.55

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

NESO Actions | Constraint Cost Breakdown

Slido code #OTF

Thermal Constraints

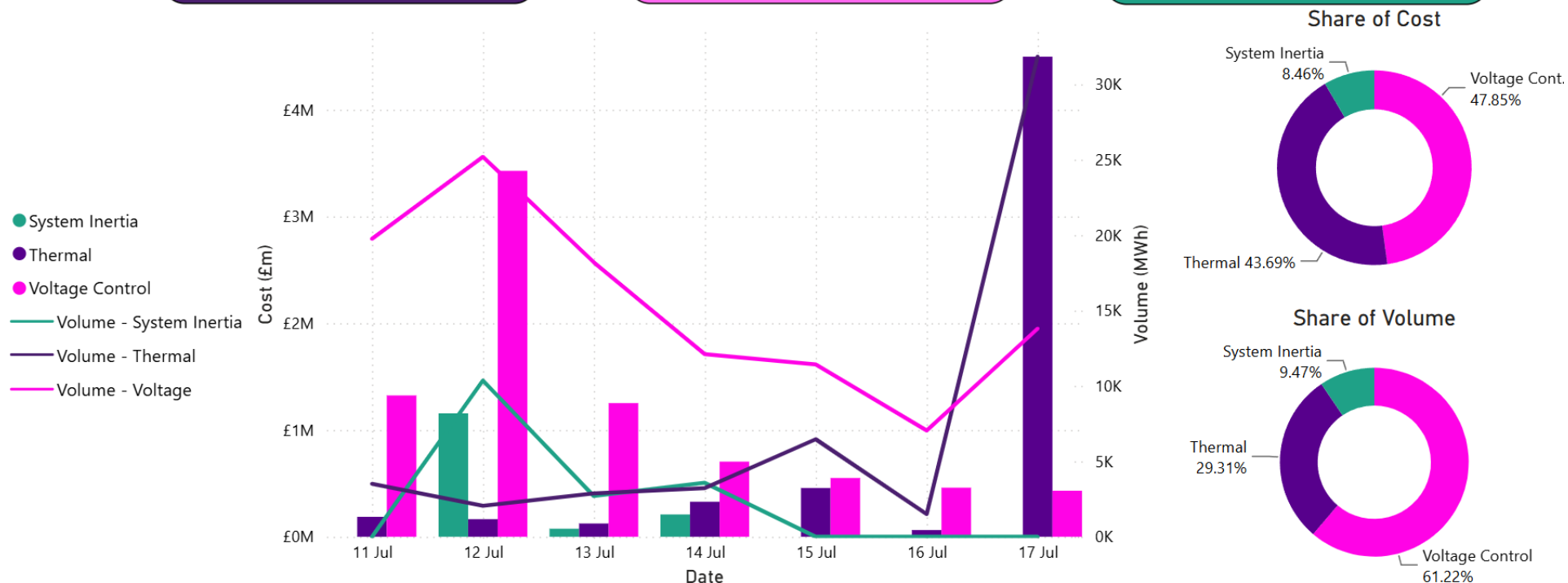
Costs (£)	Volume (MWh)
£7.44M	51K

Voltage Constraints

Costs (£)	Volume (MWh)
£8.15M	108K

System Inertia

Costs (£)	Volume (MWh)
£1.44M	17K

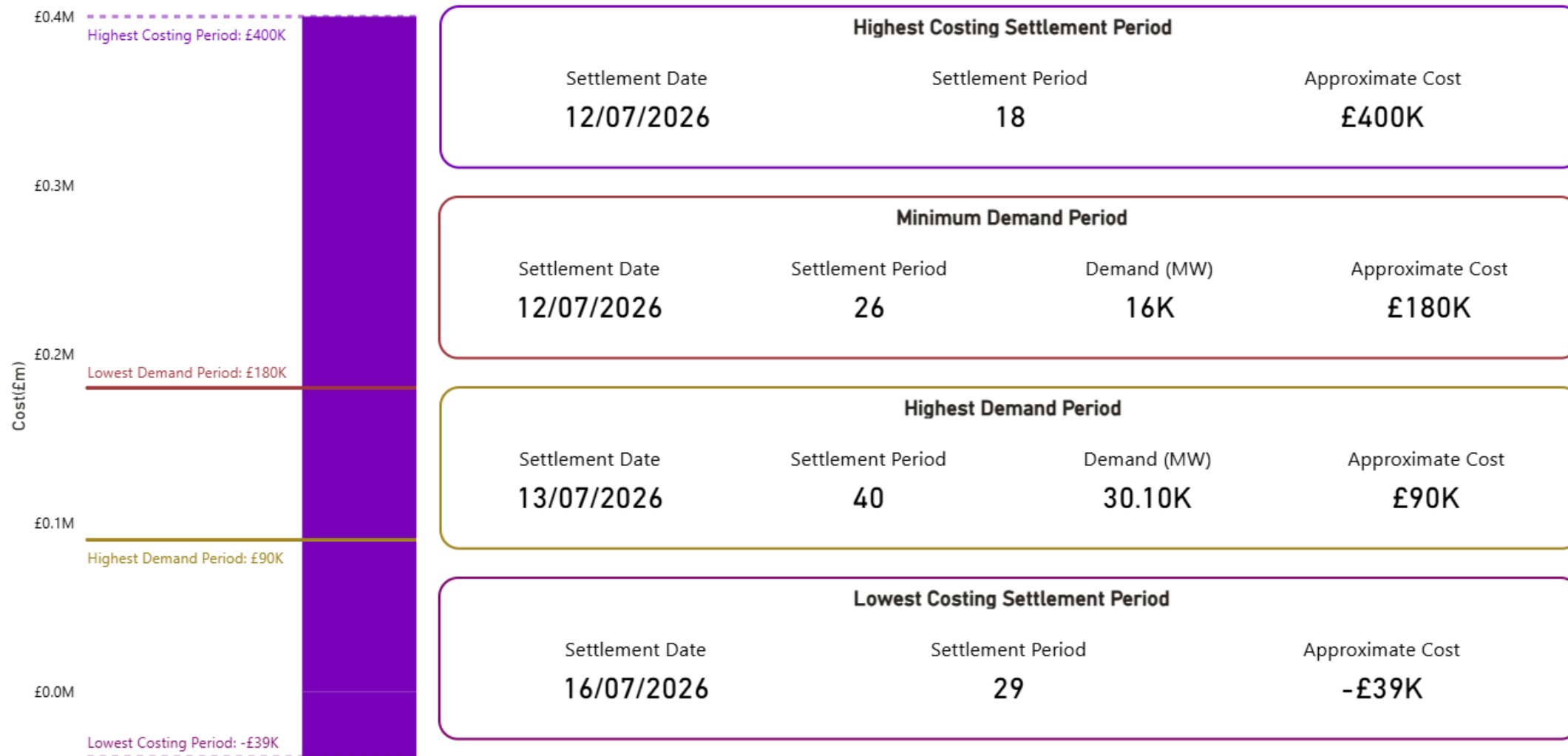


Note: Volume is reported as an absolute figure.

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

NESO Actions | Settlement Periods of Interest

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NESO Actions | Highest Costing Day

Slido code #OTF

Share of Action Cost Spend

● BID ● OFFER

99.80%

Bid Spend (£) by GSP



Offer Spend (£) by GSP



Approximate Cost

-£213.00K

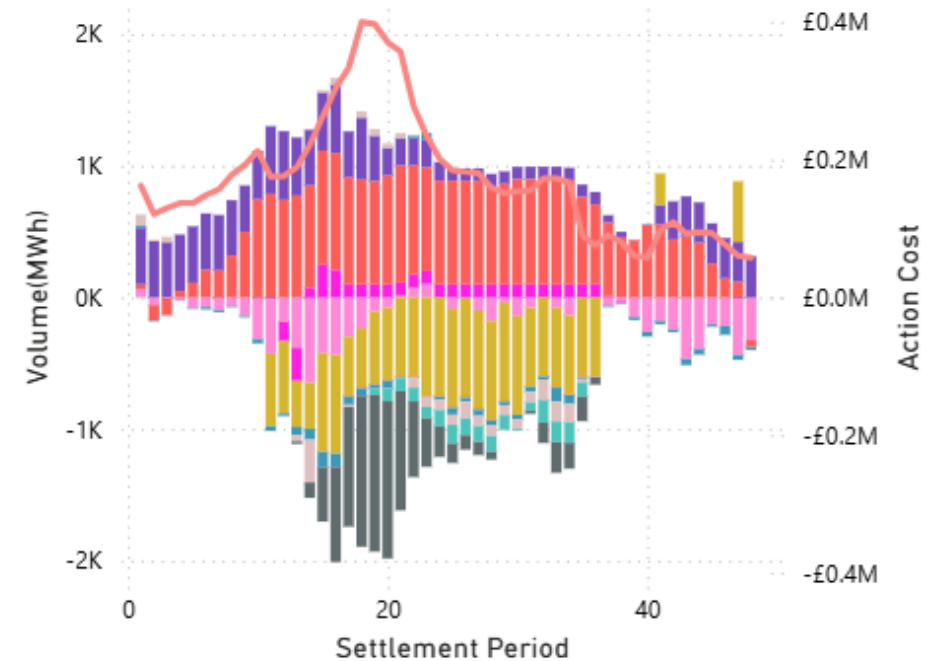
£0

£2.00M

Settlement Date
12 July 2026Cost (£m)
£9.98

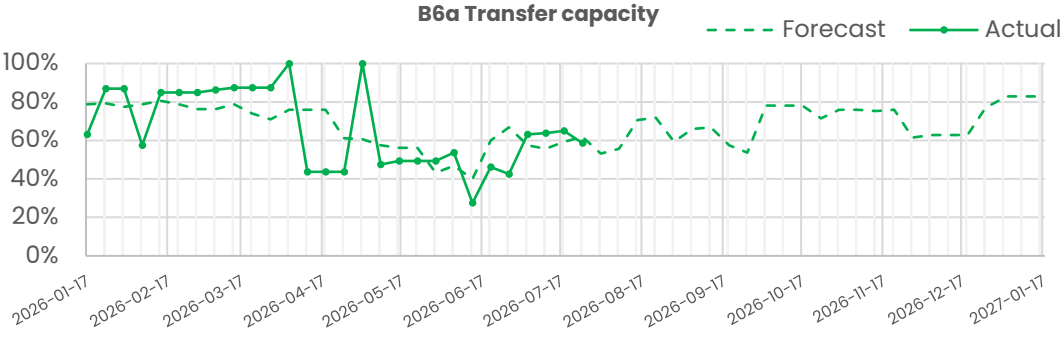
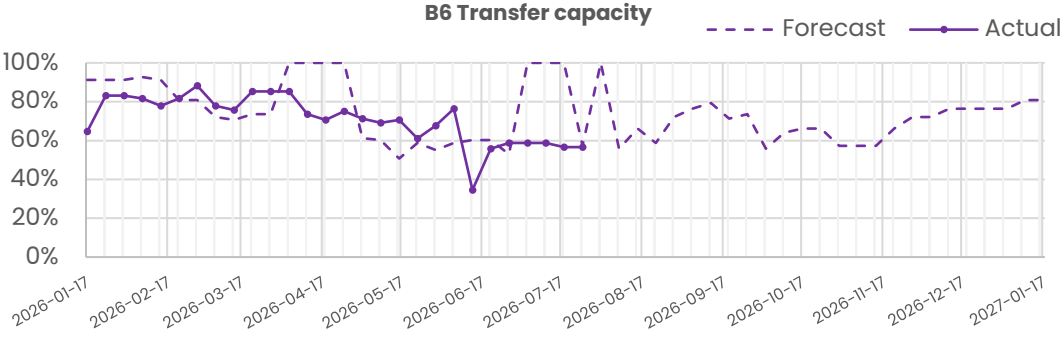
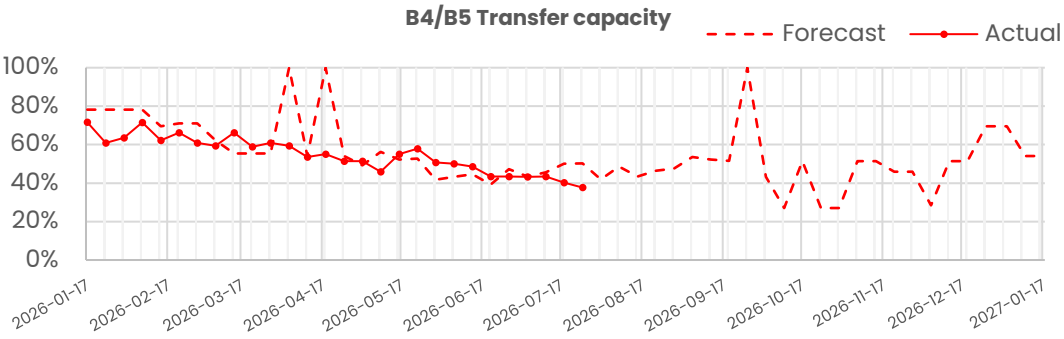
Action Cost and Volume

- AGGREGATED
- BATTERY
- BIOMASS
- CCGT
- CMM
- GAS
- INTERCONNECTOR
- LOAD RESPONSE
- OTHER
- PUMP STORAGE
- SOLAR
- WIND
- Action Cost

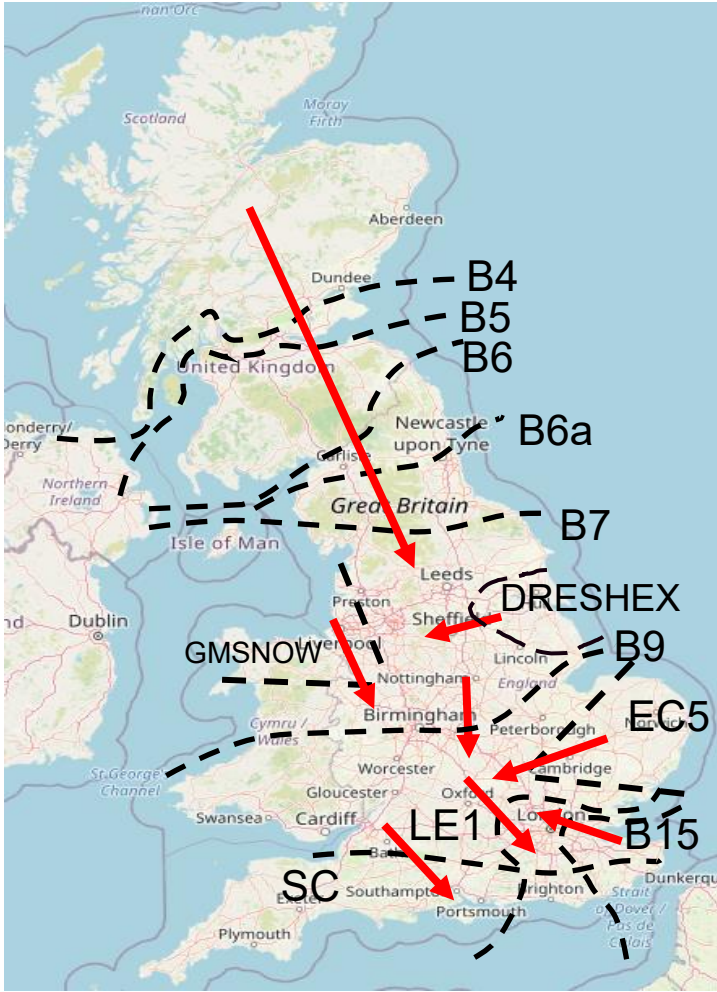


Transparency | Network Congestion

Slido code #OTF



Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	38
B6 (SCOTEX)	6800	57
B6a	8000	59
B7 (SSHARN)	9850	74
GMSNOW	5800	49
FLOWSTH (B9)	12700	76
DRESHEX	9675	63
EC5	5000	100
LE1 (SEIMP)	8750	74
B15 (ESTEX)	7500	71
SC1	7300	55

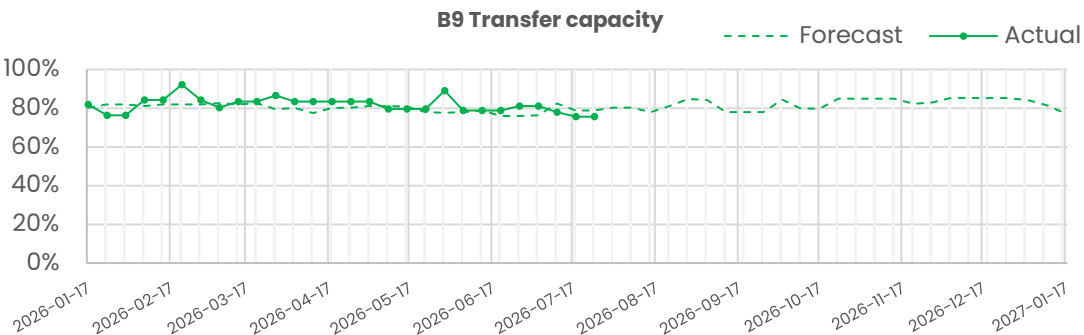
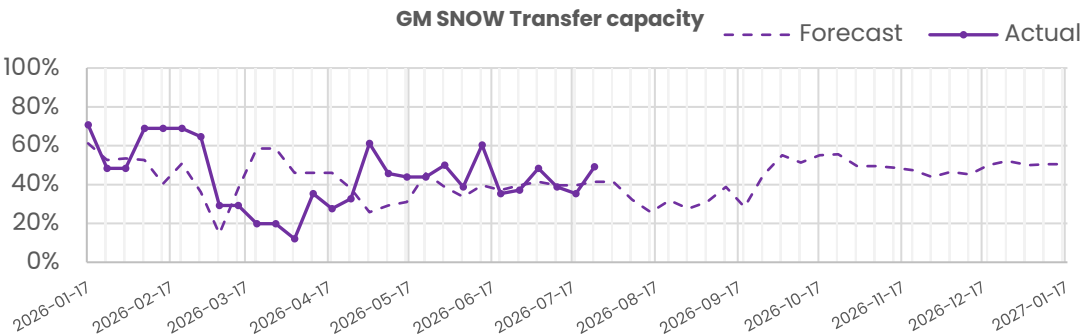
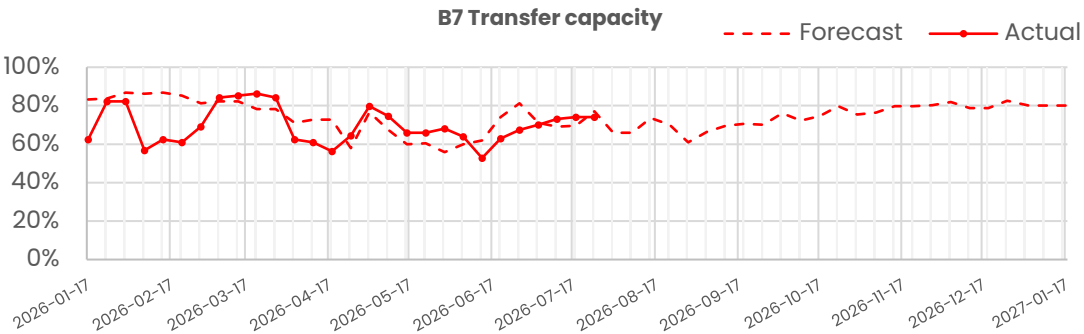


The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

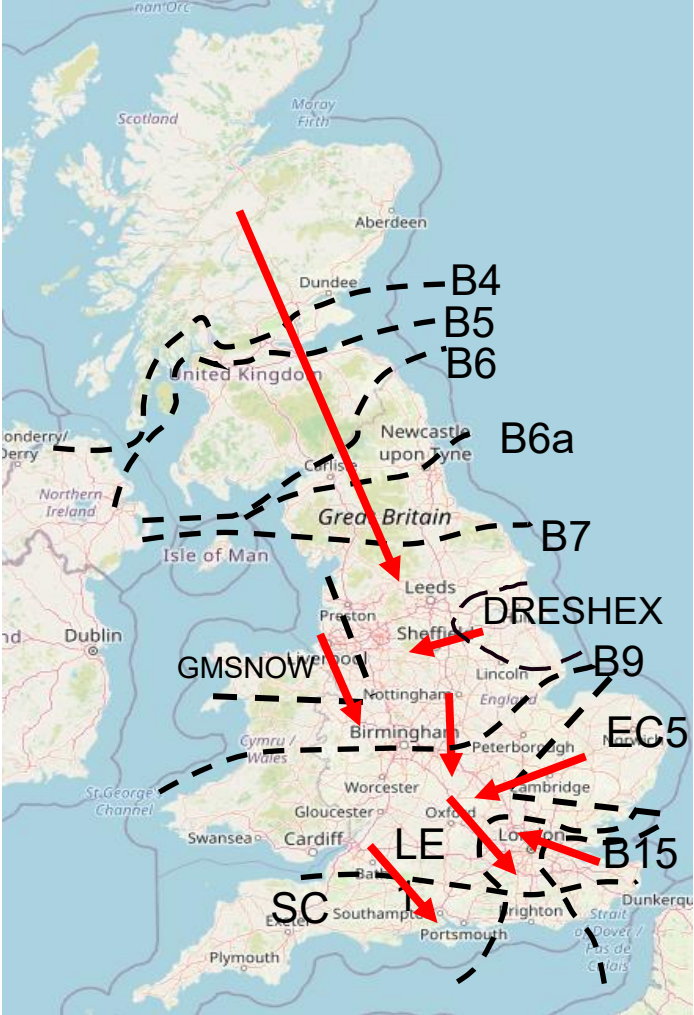


Transparency | Network Congestion

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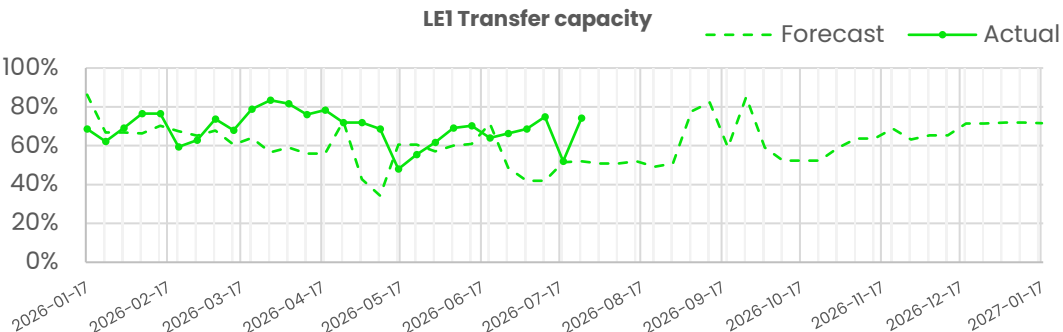
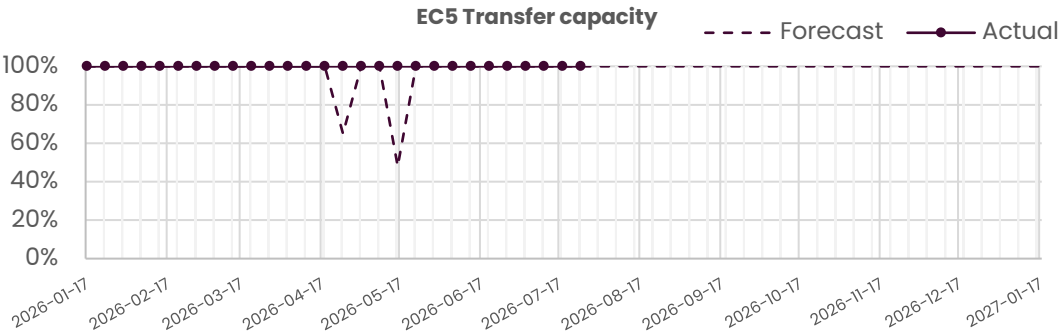
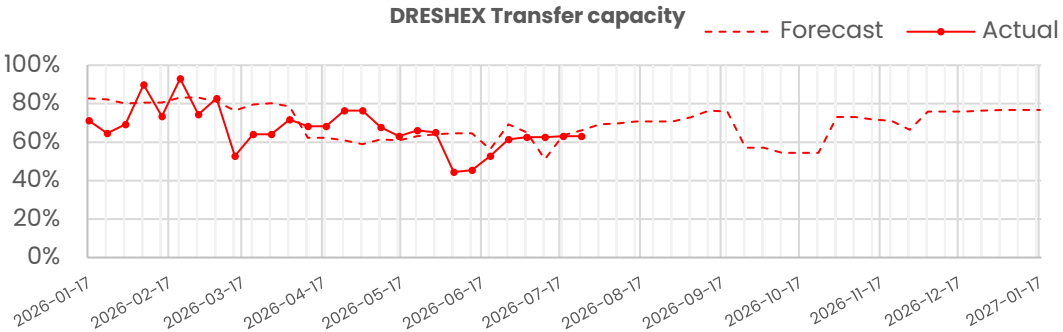
Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	38
B6 (SCOTEX)	6800	57
B6a	8000	59
B7 (SSHARN)	9850	74
GMSNOW	5800	49
FLOWSTH (B9)	12700	76
DRESHEX	9675	63
EC5	5000	100
LE1 (SEIMP)	8750	74
B15 (ESTEX)	7500	71
SC1	7300	55



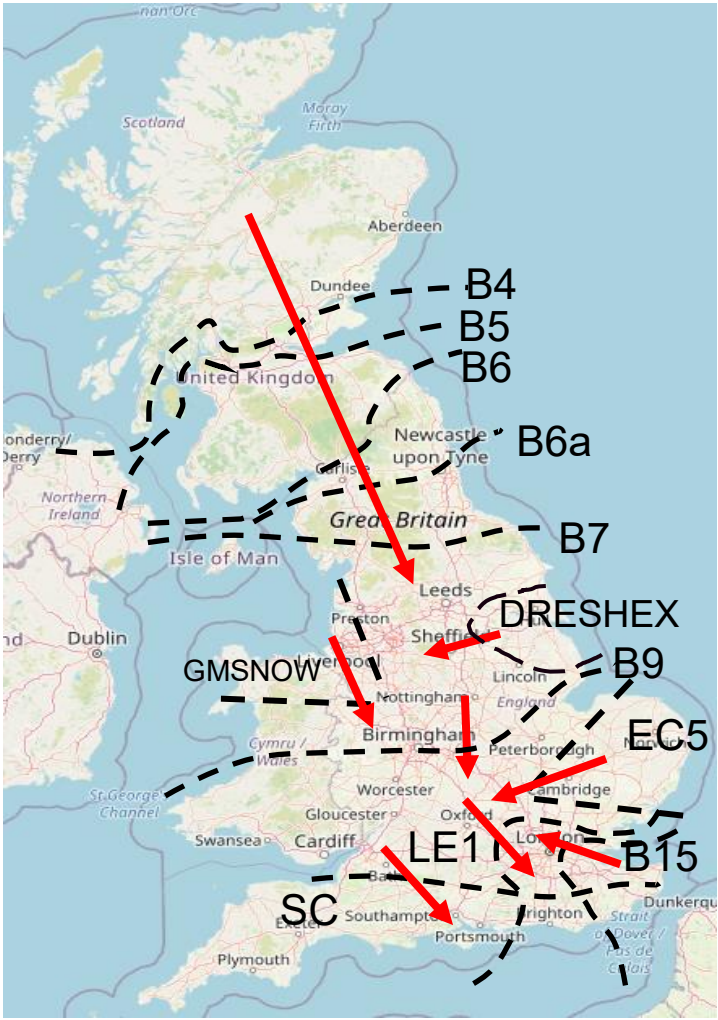
The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

Transparency | Network Congestion

Slido code #OTF



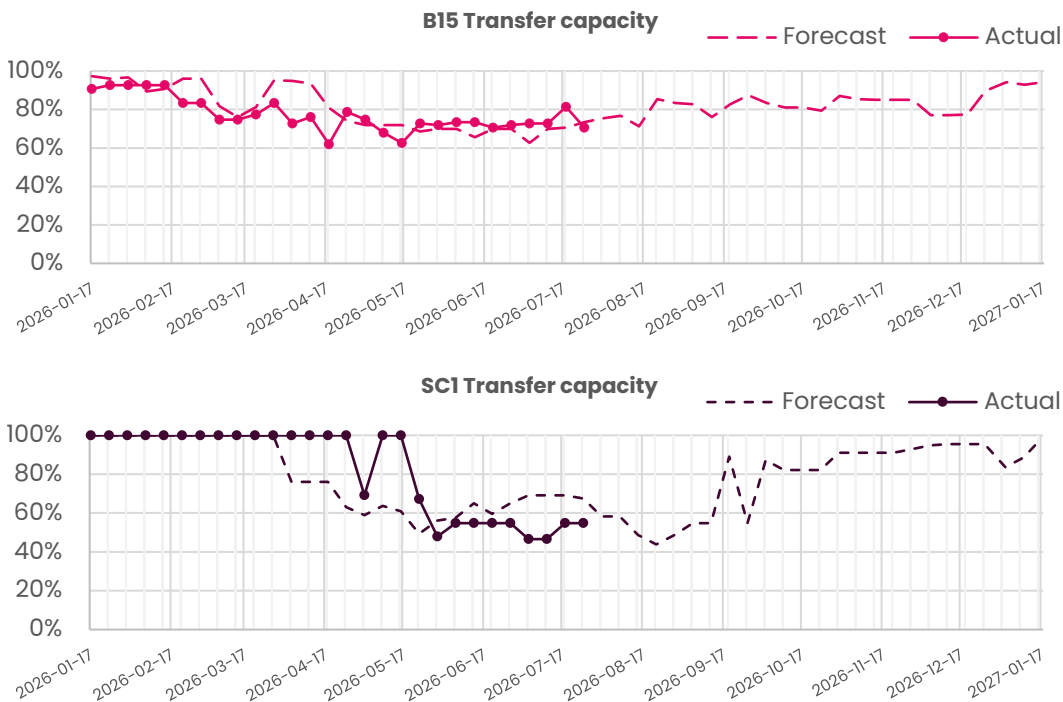
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Transparency | Network Congestion

Slido code #OTF



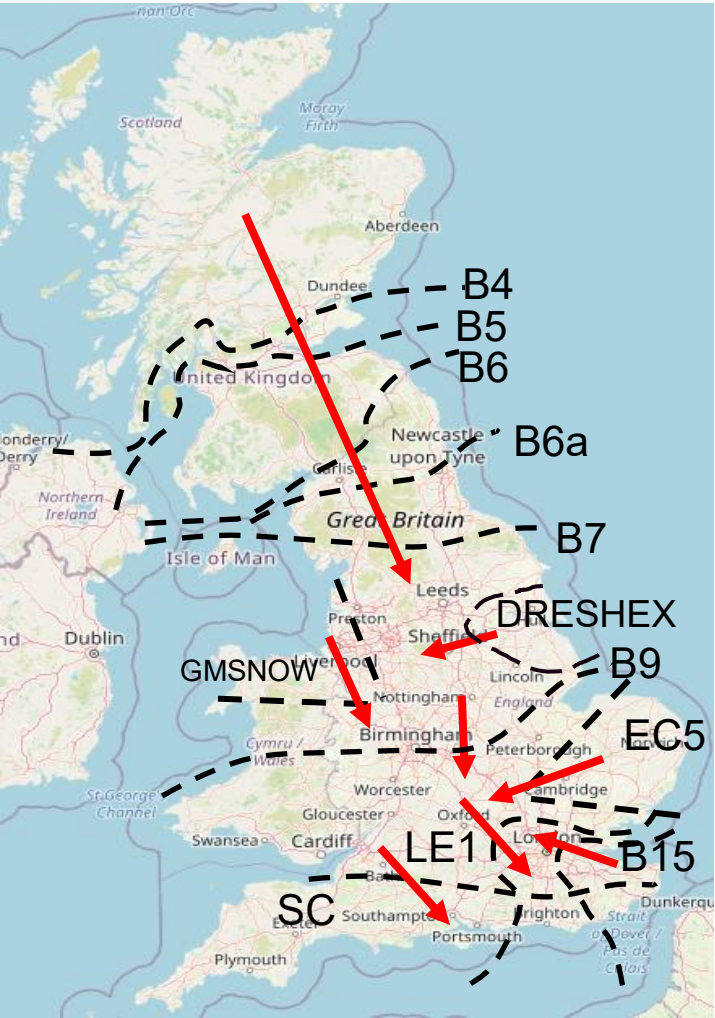
The forecast line is updated with the 12-week ahead view, and this happens each week. So, everything up to 12 weeks ahead is the forecast from 12-week ahead view, and everything after that is the fixed long-term forecast view.

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	38
B6 (SCOTEX)	6800	57
B6a	8000	59
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EC5	5000	100
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B15 (ESTEX)	7500	71
SC1	7300	55



PSA Skip Rates – bids & offers combined

Slido code #OTF

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

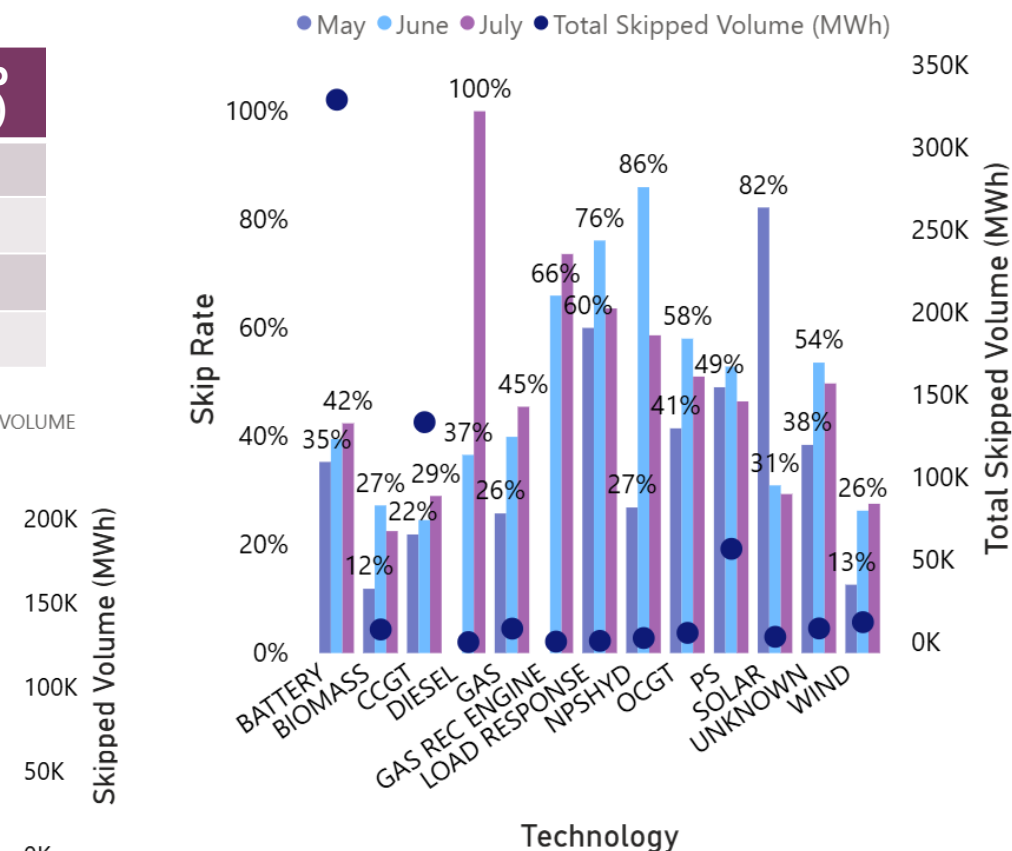
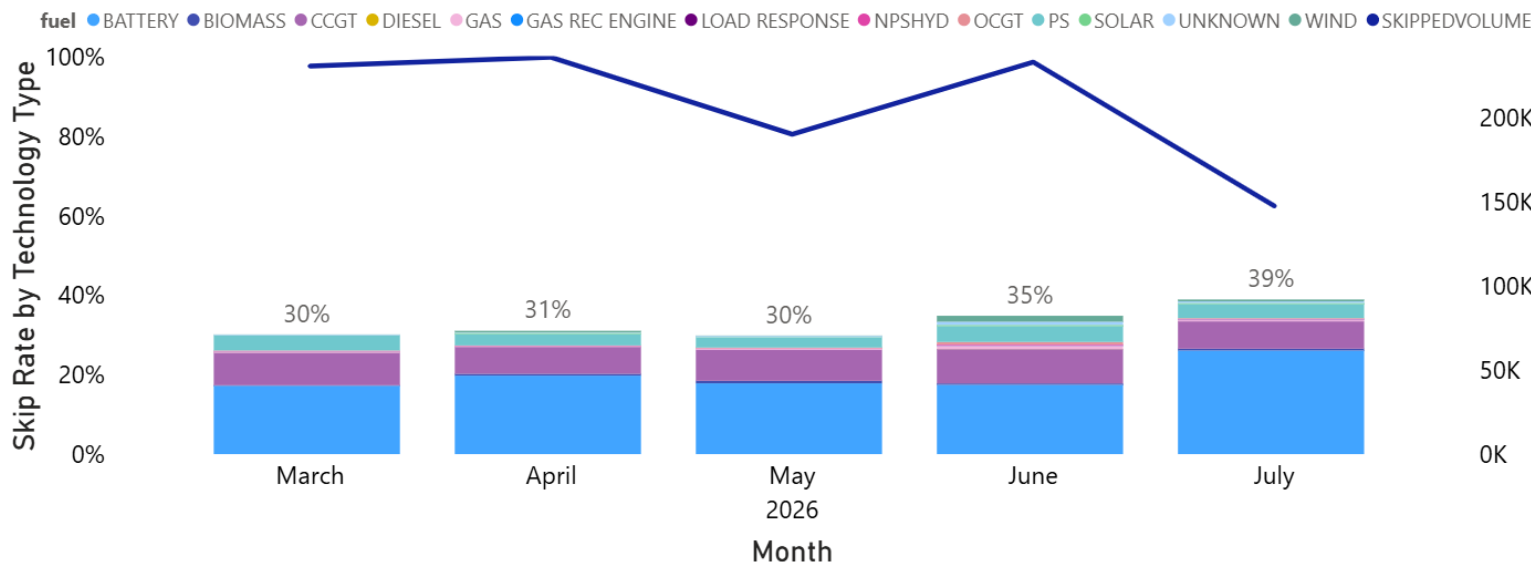
We welcome your comments and feedback on these figures and how we present this data.

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

Relative Technology Skip Rate

Weekly Average w/e	PSA Skip Rate (%)
28/06	39%
05/07	38%
12/07	38%
19/07	39%

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](#)

Previously Asked Questions

Advance Q (08.07.26) John Walker: Do you have any explanation for recent sharp rises/drops in grid frequency over the last few days eg. yesterday 07/07 between 17:09:00 and 17:14:00? Moves often exceed 0.1hz and typically last around one minute, this has a negative impact on market efficiency in affected periods.

Advance Q (08.07.26) : Do you have any explanation for recent sharp rises/drops in grid frequency over the last few days? Some examples include July 6th between 17:49:00 and 17:51:00 or July 7th between 17:09:00 and 17:14:00. These often look like a sharp increase in frequency which stabilises for around one minute before dropping sharply again. These movements often exceed 0.1hz. This has a negative impact on market efficiency in the affected periods.

A: Could you please provide more information on this point, particularly regarding the negative impacts on market efficiency.

Advance Q (09.07.26): In the OTF of January 2025 after customer feedback you stated that you would bring back the Operational Margin Week Ahead slide which had been discontinued in October, and you expected this to be in the pack all year round. We now have had multiple EMNs this summer, and the Operational Margin slide would give the market more information than DRM (derated margin). Yet Operational Margin is once again not in the pack. Can you please include this information on a weekly basis as you promised in 2025?

A: Thank you for your feedback. We have had a chat internally and we can confirm that these slides (may be in a different format) will be back again in the OTF in a few weeks.

Previously Asked Questions

Q (15.07.26) Lisa Waters: Do you data going further out on constraints? Seems relevant for looking at security, for example under the Capacity Market.

A: Constraint cost projections are converted in our balancing cost reports which can be found [here](#). These projections are produced on an annual basis, in line with the network planning process. (Our 2026 report is slightly later this year to account for the TCSNP2 Refresh). Also, the best source to understand constraint volumes is the electricity ten-year statement

Q (15.07.26) Jack Whitehouse: If the value of being at the right place at the right time is so high, and the price of gas so volatile, why is there so much recent emphasis on restricting battery buildout, and retaining the entire gas fleet, as opposed to supporting batteries over cp30 targets, taking market share from gas?

A: These aren't really questions that NESO can address directly as they focus more on Government energy policy. NESO supports the delivery of government policy through our work on Connections Reform and Strategic Energy Planning, to support the strategic delivery of energy to meet our future needs

(15.07.26) Callum MacIver: I think you just said the intact transfer limit on B4 in winter is 2900MW (with implication that it is even lower than that in summer) – your weekly table says the max capacity on B4/B5 is 3400MW. Why the discrepancy?

A: 2900MW is a figure used in longer term planning timescales. If we have an optimal generation pattern behind the constraint boundary and if all operational post fault actions are available then in the control room, on the day, they may be able to achieve a higher limit around 3400MW.

Previously Asked Questions

Slido code #OTF

Q (15.07.26) Dimuthu Wijetunga: What impact does NESO think Battery Energy Storage Systems (BESS) could have on future constraint costs? Thanks

A: Storage has the potential to add competition to both the constraint actions and replacement energy actions. However, the potential benefit depends on there being the right market signals to align storage actions to constraint needs and avoiding risks which increase costs such as repetitive re-trading..

Q (15.07.26) Guy Nicholson: Re Slide 27. Bid spend appears to be 0.014£M and offer spend 3.10£M. You have presented the bid costs as 14.00£k implying an accuracy of 6 significant figures. Please in future could you present these hugely different numbers in the same format to aid interpretation.

A: Thank you for your feedback, we will take this into consideration.

Q (15.07.26) Lucas White: At a previous OTF in June, it was noted that NESO expected to share updates in July regarding current thinking for short term stability procurement, is this still on track?

A: An industry update is still planned for this month (July), we are currently undergoing internal discussions, ahead of publishing an update.

When this is finalised, an update will be shared via the usual channels, such as OTF, and on the short-term stability webpage [Short-term \(D-1\) stability market | National Energy System Operator](#).

Previously Asked Questions

Slido code #OTF

Q (15.07.26) Dr Gordon Watson: On future upgrades. How does NESO justify the cost of the long offshore cables proposed in the Beyond 2030 document (e.g. EGL5, EGL6)? Surely onshore overhead line HVDC would be far more cost effective and easier to maintain? Why should every one else pay more to service nimbys?

A: The assessments presented in Beyond 2030 evaluated the options provided by Transmission Owners (TOs) to increase network capacity and meet future system requirements. In the case of the long offshore cable options, these were developed and submitted by the TOs for assessment.

Our economic assessment found that these options delivered a positive cost-benefit outcome. In other words, over their operational lifetime, the reduction in system constraint costs was assessed as sufficient to outweigh the associated capital investment costs.

Q (15.07.26) Mark Meyrick: Given Louis' answer, does the 'Connect & Manage' policy need to be re-evaluated/changed?

A: NESO alongside the TOs and DNOs is currently delivering the implementation of connections reform as approved by Ofgem, to deliver a new strategic pipeline of generation projects between now and 2035. Alongside NESO's work as the strategic energy planner, future generation and network buildout will better align to reduce the impact of constraints.

Details of the new connections pipeline were announced in December 2025 and can be found here on NESO's website <https://www.neso.energy/neso-implements-electricity-grid-connection-reforms-unlock-investment-great-britain>

Previously Asked Questions

Slido code #OTF

Q (15.07.26) Michael Langdon-Davies (OE): Why are wind bids SO Flagged, but the ccgt offers aren't wouldn't flagging both lead to lower wholesale prices? Alternatively, could do 50-50 - flag 50% of wind bids and 50% of CCGT offers - this would also somewhat reduce wholesale prices but would lead to a greater signal to build flexibility.

A: To clarify, some wind bids do not receive SO flags, there are occasions when wind bids are in merit order for reducing energy on the grid, and in these circumstances a SO flag would not be applied to the BOA. Equally CCGTs can receive SO-flags depending on the requirement.

With regards to not applying a SO flag to replacement energy actions: Bids taken to manage constraints are not offset by specific offers for replacement energy in the Control Room. ENCC will take offers for margin based on the whole system requirement to keep the frequency within limits, while also needing to avoid offers on units that sit behind constraints (sterilised headroom / constrained margin).

Any request for changes to the process of SO flagging would need to be addressed with Elexon as it is their calculations that derive the Imbalance Pricing. The process involves several stages to determine the final imbalance price. A link to Elexon guidance is below, where you can see how SO-flags are used towards determining this:

<https://bscdocs.elexon.co.uk/guidance-notes/imbalance-pricing-guidance>

Previously Asked Questions

Slido code #OTF

Q (15.07.26) Guy Nicholson: Re Constraint cost forecasts. You have not shown any previous forecast and the outturn. Can I request this analysis ? Given the considerable unknowns and uncertainties is this forecast worth doing ?

A: We constantly review and revise our model to ensure it is reflective of outturn costs. We are confident that the forecast costs against outturn over a period of a year is reasonable. However, as discussed, forecasting costs on a monthly basis, many months ahead, is very much wind dependent, and so our model can show significant variation against outturn on a per month comparison. This is inevitable due to the volatility of wind on a month-to-month basis. The 24-month-ahead forecast is available on the Data Portal at the link in the slides and can be compared against our published outturn costs.

We are planning to share analysis on how our forecasts compare against outturns, including for the different FES scenarios, when we publish updated constraint cost projections later this year.

Previously Asked Questions

Advance Q (12.07.26): Across the morning of 12 July (e.g. SP21), multiple gigawatts of offshore wind & solar was bid off (unflagged) at prices as low as -£183/MWh, yet approximately 2 GW of BESS units were available for between -£10/MWh and -£36/MWh. What operational reason prohibits BESS units from being bid in this and similar scenarios as it seems highly unlikely that, even accounting for dynamic parameters, this would be the most economic way to balance the system.

A: The reason for the out of merit bids taken was as follows. The demand out turned much lower (2GW lower) than forecast during the morning (non-existent) pickup and the 3B minimum demand was the third lowest demand ever recorded at 12.96GW; by mid-morning there were legitimate concerns that demand may continue to fall to an even lower level than what was observed which may then have required EI on MW contributors to manage the downward challenges.

The lower-than-expected demand created need for up to 2.4GW wind bids to manage the negative margin challenges. The energy dispatcher desk workload was therefore exceptionally high and to manage this and maintain system integrity we took the deliberate action to only target BMUs that offered bid volumes greater than 100MWs. This therefore caused skips to result. This was deemed an acceptable outcome given high workload and risk to system operability we were exposed to at the time.

We were holding back some bids on BESS to ensure we retained downward margin on them for when reached the minimum demand period.

As the day progressed, we lost MWs on continental interconnectors which eased the downward challenges.

Advance Questions

Slido code #OTF

Advance Q (15.07.26) : Hi! I am interested to know the difference in methodology between the calculation of constraint cost in the "24 Months Ahead Constraint Cost Forecast" and the Constraint costs column of the "Monthly BSUoS Forecast Summary", as there is a large difference between the two. Is it the case that only some of the constraint costs fall into the BSUoS charge?

A: The PLEXOS constraint cost forecast is one element which is blended with other models in the BSUoS forecast. For full detail on the BSUoS forecast please see the methodology at <https://www.neso.energy/document/262041/download>.

Section 3.1.3: "For constraints, we blend the Plexos forecast and the ARIMAX forecast, with the weightings of the blend dependent on forecast lead time. The weights are chosen by assessing performance of the model against outturn with historical data."

Advance Questions

Slido code #OTF

Advance Q (20.07.26) : [The data portal System Inertia | National Energy System Operator](#) states. “This dataset contains an estimate of the outturn inertia and market provided inertia for Great Britain Transmission System. It does not include the contribution from Stability pathfinder units”. This shows values as low as 43 GVA.s on 01/06/2026 settlement period 7. 1. Please can NESO confirm that to date the grid has been operated at all times with minimum inertia in line with the policy set out in FRCR 2024? The data portal also states, “NOTE: Updates to the System Inertia dataset have been temporarily paused while we review and validate the most appropriate data available.” 2. Please can NESO provide more details on the issue with the existing data set? 3. Could a data set be provided that includes the stability pathfinder units so that it can be compared against the policy set out in FRCR? 4. Can this be done before inertia levels are reduced to match FRCR2025?

A: Thanks for the question – you’re correct in that this dataset is not a complete picture of the inertia on the system in real time. The values are an estimate of the outturn inertia and market provided inertia without the contribution from inertia.

We know this can be confusing – and have had this feedback previously which is why we have paused the updates while we consider what data it is possible and appropriate to share.

Outstanding Questions

Q (15.07.26) Hamidreza Jahangir: Recently, we've been seeing more high-priced, low-volume BSAD actions. For example, on 9 July, NESO accepted a 1 MW BSAD offer priced at over £500 from SP35 (17:00) through SP46 (22:30). More generally, what is driving the apparent increase in these types of BSADs?

Advance Q (15.07.26) : Thanks for the presentation today on constraints. Forecast constraints for the next 12 months is just over £3bn of which outages are expected to contribute 25%. What was the % outturn contribution of outages to constraint costs in the previous 12 months, and across previous years, if possible? Does NESO normally measure the outturn accuracy of its constraint forecast?

Advance Q (15.07.26): Thank you for the answer to my question about the criteria for flagging actions as "SO". Is there data which indicates the proportion of actions taken which are to primarily to provide fault level rather than to resolve transmission constraints?

Advance Q (15.07.26): Please could you confirm the rules around interconnector trades? There have been several days since the new 300/1500MW limits came into place on 20 May where it appears that trades > 300MW have been made in the opposite direction of the corresponding DA nomination. I understand that these limits may be exceeded in extreme circumstances with permission from the opposite SO, but is this exception documented

Previously Asked Questions (To be covered via Margins deep dive)

Slido code #OTF

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

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?

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?

Previously Asked Questions (To be covered via Margins deep dive)

Slido code #OTF

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.

Q (15.07.26) Lisa Waters: When NESO asked gencos for additional plant status information under the recent extreme heat which part of the Grid Code (or other rules) was it using to request this information?

NESO OTF Q&A Guidelines

- **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

① Start presenting to display the audience questions on this slide.

Send us your feedback..

Using the poll in Sli.do after the event.

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

Appendix

Purpose and scope of the NESO Operational Transparency Forum

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)

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.

$\text{In Merit Volume} = \text{Accepted Volume} + \text{Skipped Volume}$

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).