Consultation response

Frequency Risk and Control Report 2025 – Ofgem consultation

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Electricity Storage Network

The **Electricity Storage Network (ESN)** is **the industry group and voice for grid-scale electricity storage in GB**. The ESN has 100 members who share a mission to promote the use of energy storage and flexibility to support the net zero transition. ESN members include clean energy developers, owners, investors, optimisers and academic institutions. This includes representation from publicly listed specialist funds focusing on storage, and independent developers that have raised several billion pounds to invest in this new technology.

This response is based on extensive practical experience, input from our members involved in developing grid-scale electricity storage projects in GB, and feedback received via our Markets and Revenues working group.

About Regen

Regen manages the ESN. Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.

Regen is also a membership organisation, with more than 200 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups, academic institutions and research organisations.

Continuing engagement

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Summary and recommendations

Our members support NESO's proposals in the Frequency Risk Control Report (FRCR) 2025 to reduce the minimum system inertia requirement to 102 GVA.s and procure an additional 200 MW of Dynamic Containment-Low. The report rightly recognised the valuable role of fast-acting battery storage, and the world-leading response services, in delivering consumer savings and energy system resilience. Our members also welcome competitive tenders for stability services, but note that the current timeframes and connection requirements for the stability long-term (Y-4) tender risk excluding projects. We recommend extending the long-term stability tender window to Q1 2026 and ensuring strong industry engagement in the shift to locational procurement, with future FRCR reports reflecting these changes.

Our recommendations are listed below:

Recommendation: Ofgem to approve the NESO FRCR report recommendations for the reduction of the minimum inertia level to 102 GVA.s and the additional procurement of 200 MW of DC Low.

Recommendation: Ofgem to recommend that NESO should extend the long-term (Y-4) invitation to tender period until the end of Q1 2026 to allow further time for industry due to restrictions and delays (caused in large part by the NESO portal issue).

Recommendation: Ofgem to recommend that NESO ensures considerable effort is put into engaging the industry in the shift to locational procurement of reserve and response services.

Recommendation: Ofgem to recommend that NESO assesses the impact of locational procurement on the FRCR reporting process.

Responses to questions

Question 1

What is your view on NESO's FRCR 2025 policy to reduce the minimum system inertia requirement?

As the industry body and voice for grid-scale storage in GB, we very much welcome that Ofgem and NESO highlight the valuable role of fast-acting sources of frequency response from battery storage. These services have enabled GB to reduce the minimum level of inertia from 140 GVA.s to 120 GVA.s saving consumers £258 million. NESO's frequency response services are world-leading, and as the report outlines, there is over 5 GW of liquidity in some of those services, helping to continue drive down costs for consumers.

Our members have highlighted that the reduction in the minimum level of inertia down to 102 GVA.s is a positive move from NESO and support this shift. Our members have tracked the events that are mentioned in the NESO FRCR 2025 report and agree that they show the critical role that these services are providing, and that the system will be able to run at lower levels of minimum inertia on the system. They also agree that an increase in frequency response volume is required. The increase of 200 MW of frequency response (Dynamic Containment-Low) volume is also welcome. The Iberian blackout on 28 April 2025 is a reminder of the importance of ensuring the security and resilience of the electricity system. While that event and the investigations that followed have focused on the role of voltage control and non-compliance from some assets, this has shown the value of having fast-acting assets that can provide energy resilience.

As the NESO FRCR report outlines, the largest loss is expected to increase to 1,800 MW from the Hinkley Point C nuclear power station soon. We also note that the increased rate of decarbonisation required for Clean Power 2030 requires a significant increase in low-carbon flexibility on the system, including fast-acting battery storage and other forms of energy storage. Ensuring that these critical services are tendered in sufficient volumes is critical to enabling Clean Power 2030. NESO also highlights that the additional costs from further frequency response procurement is relatively low given the high level of liquidity in the market for these services, which is testament to the high level of deployment and enhanced maturity of the GB market.

Recommendation: Ofgem to approve the FRCR report recommendations for the reduction of the minimum inertia level to 102 GVA.s and the additional procurement of 200 MW of Dynamic Containment Low.

Question 2

Do you have any further comments?

Our members are very happy to see additional commercial services start to be tendered by NESO for stability (inertia and Short Circuit Level), as well as reactive power and restoration. The move to competitive and open tenders for these services is very welcome. However, our members have highlighted that the stability, reactive power and restoration long-term (Y-4) tender for 2029 onwards, which is currently at the invitation to tender stage,[1] has challenging timeframes. Industry only has until December to provide bids, and the requirements for connections are restricting the potential for projects to bid (e.g. Option C in the guidance requires a gate 2 connection offer[2]). Given the delays to that process that have been caused by NESO's connection reform portal, we believe many sites will not have gate 2 connection offers and clarity on their connection date by the December deadline. We also understand that many projects will not have been able to Mod App or get clarity from their Customer Connections Manager due to the connections reform process and the restrictions imposed over previous months. These limitations will reduce the number of projects bidding for the stability, reactive power and restoration long-term tender and could increase the cost for consumers due to a smaller pool of projects bidding.

Recommendation: Ofgem to recommend that NESO should extend the long-term (Y-4) invitation to tender period until the end of Q1 2026 to allow further time for industry due to restrictions and delays (caused in large part by the NESO portal issue).

Our members are supportive of a shift to locational procurement of response and reserve services planned for 2026/27. However, the industry clearly has concerns about implementing this change and what it means for projects and investor confidence. Given the significance of this change, we would like to ensure considerable industry engagement in this process from NESO.

Recommendation: Ofgem to recommend that NESO ensures considerable effort is put into engaging the industry in the shift to locational procurement of reserve and response services.

This move to locational procurement could have implications for the FRCR process, and we would like to understand how this will be considered in future FRCR reports and assessments.

Recommendation: Ofgem to recommend that NESO assesses the impact of locational procurement on the FRCR reporting process.

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[1] NESO, 2025 https://www.neso.energy/industry-information/balancing-services/stability-market/long-term-2029-tender

[2] NESO 2025 https://www.neso.energy/document/365206/download