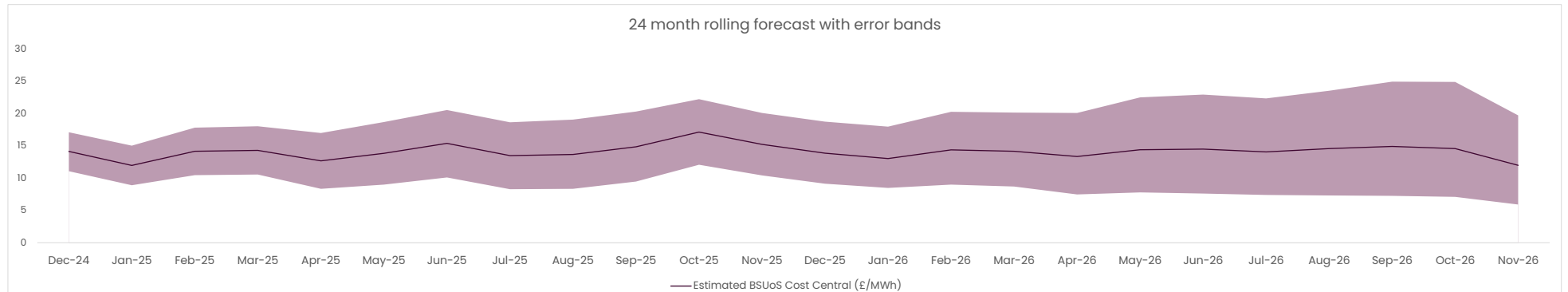


BSUoS Forecast for Jan-25



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Balancing Costs (Central) £m	299.70	252.80	274.40	271.50	225.40	230.90	245.70	218.00	222.30	254.10	283.70	265.60	249.60	238.90	243.80	237.10	213.60	213.70	203.20	201.30	212.40	228.70	250.90	215.90
Balancing Costs (Upper) £m	377.10	335.00	361.50	360.10	317.20	327.90	343.30	319.30	328.10	363.60	396.90	380.40	372.00	366.40	379.50	378.70	357.20	375.30	362.70	363.00	388.00	430.00	479.90	400.50
Balancing Costs (Lower) £m	219.80	170.10	186.50	182.10	133.20	134.00	146.30	116.20	117.90	146.00	171.30	152.40	131.50	121.80	119.60	108.20	88.60	82.40	73.50	71.50	70.40	75.10	84.80	70.70
Estimated Internal BSUoS & NESO Incentive £m	61.18	61.18	55.26	61.18	44.56	46.05	44.56	46.05	46.05	44.56	97.04	93.91	97.04	97.04	87.65	97.04	69.17	71.47	69.17	71.47	71.47	69.17	71.47	69.17
Winter Security of Supply Cost £m	4.26	4.26	3.85	4.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21/22 Under-Recovery	3.70	3.70	3.34	3.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMP398/412 Claim Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Interest Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional NESO Framework Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total BSUoS (Central) £m	368.834	321.934	336.845	340.634	269.96	276.95	290.26	264.05	268.35	298.66	380.74	359.51	346.64	335.94	331.45	334.14	283.99	286.39	273.59	273.99	285.09	299.09	323.59	286.29
Total BSUoS (Upper) £m	446.234	404.134	423.945	429.234	361.76	373.95	387.86	365.35	374.15	408.16	493.94	474.31	469.04	463.44	467.15	475.74	427.59	447.99	433.09	435.69	460.69	500.39	552.59	470.89
Total BSUoS (Lower) £m	288.934	239.234	248.945	251.234	177.76	180.05	190.86	162.25	163.95	190.56	268.34	246.31	228.54	218.84	207.25	205.24	158.99	155.09	143.89	144.19	143.09	145.49	157.49	141.09
Estimated BSUoS Volume (TWh)	26.09	26.90	23.78	23.81	21.30	20.02	18.88	19.58	19.63	20.11	22.23	23.62	25.02	25.80	23.06	23.61	21.29	19.90	18.88	19.50	19.57	20.07	22.19	23.89
Estimated BSUoS Cost Central (£/MWh)	14.1374	11.9661	14.1624	14.3052	12.6717	13.8355	15.3749	13.482806	13.6712	14.8529	17.1304	15.2236	13.8528	13.0228	14.3751	14.1519	13.3412	14.39	14.4914	14.052	14.5683	14.9059	14.5819	11.984
Estimated BSUoS Cost Upper (£/MWh)	17.1042	15.0214	17.8244	18.026	16.9807	18.6813	20.5447	18.655342	19.0612	20.2986	22.2236	20.0849	18.7443	17.9654	20.2605	20.1491	20.0871	22.5098	22.9398	22.345	23.5416	24.9381	24.9013	19.7114
Estimated BSUoS Cost Lower (£/MWh)	11.0748	8.89217	10.4667	10.5508	8.34389	8.9947	10.1097	8.2847388	8.35249	9.47691	12.0733	10.4301	9.13319	8.48341	8.98853	8.69258	7.46896	7.79268	7.62152	7.39498	7.31199	7.25084	7.09697	5.906

Please note: As a result of the approval of CMP308, BSUoS charges have been removed from Generation from 1 April 2023. Therefore the chargeable volume approximately halved and the BSUoS charge (£/MWh) approximately doubled

As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 1 (Apr 2023 – Sep 2023) and Fixed Tariff 2 (Oct 2023 – Mar 2024) were published at the end of January 2023.

[BSUoS Fixed Tariff 2023-24 - Final - January 2023 \(nationalenergyiso.com\)](#)

Fixed Tariff 3 (Apr 2024 – Sep 2024) was published at the end of June 2023.

[BSUoS Fixed Tariff 2024-25 Final and Draft - July 2023 \(nationalenergyiso.com\)](#)

Fixed Tariff 4 (Oct 2024 – Mar 2025) and Draft Tariff 5 (Apr 2025 – Sep 2025) were published 22 December 2023.

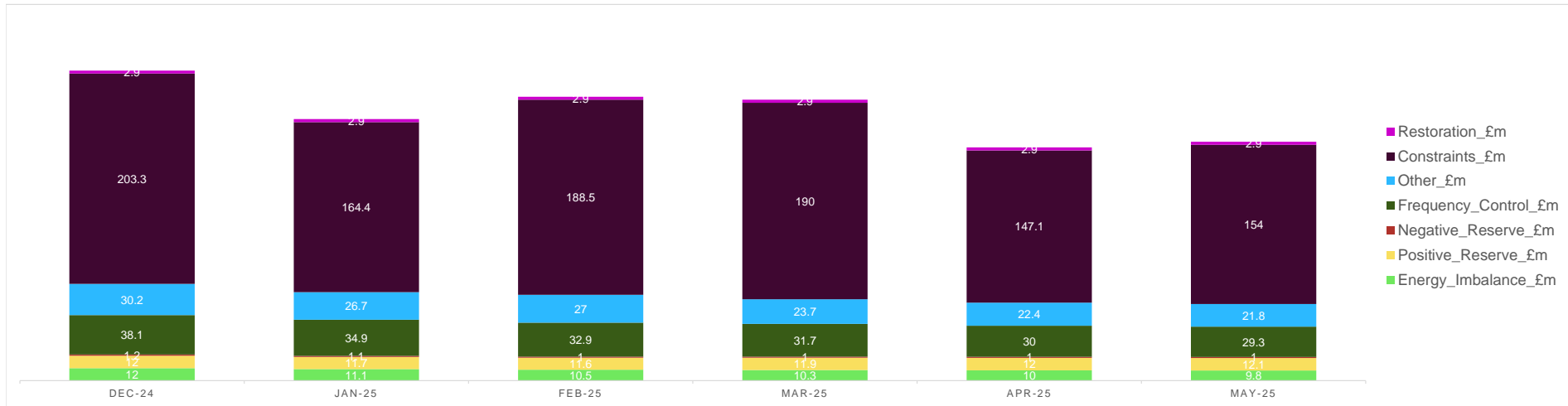
[BSUoS Fixed Tariff 2024-25 Final and Draft - December 2023 \(nationalenergyiso.com\)](#)

Fixed Tariff 5 (Apr 2025 – Sep 2025) and Draft Tariff 6 (Oct 2025 – Mar 2026) were published 28 June 2024

[BSUoS Fixed Tariff Final and Draft - June 2024 \(nationalenergyiso.com\)](#)

As there are no forecast charges for ALoMCP, CMP381 Deferred Costs and Winter Contingency Costs (Central, Upper and Lower), these elements have now been removed from the Forecast report and data table

Balancing Costs Central Forecast Breakdown for next 6 months



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Energy_Imbalance_£m	12	11.1	10.5	10.3	10	9.8
Positive_Reserve_£m	12	11.7	11.6	11.9	12	12.1
Negative_Reserve_£m	1.2	1.1	1	1	1	1
Frequency_Control_£m	38.1	34.9	32.9	31.7	30	29.3
Constraints_£m	203.3	164.4	188.5	190	147.1	154
Other_£m	30.2	26.7	27	23.7	22.4	21.8
Restoration_£m	2.9	2.9	2.9	2.9	2.9	2.9
Total_£m	299.7	252.8	274.4	271.5	225.4	230.9

BSUoS Forecast for Jan-25

Balancing Costs	Forecast for January 2025 = £253 million
Energy model considerations	<p>The Balancing Costs model uses the patterns of costs historically which are then adjusted for changes in prices, changes in wind outturn/forecast to create a baseline which can then be projected forward and shaped based on an understanding of the shaping of costs through the year.</p> <p>The forecast for January is 15% higher than it was in the forecast published 15 November (£220 million). There has been a 19% increase in the constraints forecast (£26m) and a 9% increase in the wholesale market price forecast (£101/MWh compared with £92/MWh in our forecast published 15 November).</p> <p>The forecast was produced based on an average of the forward price curves derived between 2 and 6 December.</p> <p>A consistent change in the wholesale electricity forward curve of $\pm 20\%$ would lead to a change in the central forecast over the next 12 months of</p> <p>No new planned or current outages on interconnectors or the Western link.</p>
Constraint model considerations	<p>The constraints forecast is one of the inputs into the model that we use for forecasting BSUoS. From the December 2023 forecast an updated constraints model has been used to forecast constraints costs. The updates came about because of an in-depth annual review that resulted in changes to how the HVDC interconnectors with Europe are modelled, and the overnight voltage machine requirements set in the model. There are some noticeable changes to the 2-year-ahead Constraint Forecast because of this. The new constraint forecast is available on our data portal along with further information on the changes that have been made.</p>
Estimated internal BSUoS	<p>Internal Costs are now calculated in the National Energy System Operator Financial Model (NESO FM) as published by NESO in November of each year. The costs are the latest version of the NESO FM under the RII0-2 network price controls, based on NESO's publication on 27 November 2024. The sheet "Live Results" in the NESO FM spreadsheet shows the allowed revenue for 2025/26. For 2026/27, we have assumed a continuation of the allowed revenue for 2025/26, as this falls outside the latest NESO FM publication. It is important to note that we are now operating under 100% fast money, meaning we as NESO can seek to recover the full forecast spend within a financial year. Previously, £236.4m for the impact of NESO framework and an interest repayment of £52m were included in Draft Tariff 6 and were called out on separate line items. Both impact of NESO framework and interest repayment costs will be included in our internal revenue figure going forward. Therefore these line items are forecasted as zero within this forecast.</p> <p>NESO Regulatory Finance</p> <p>NESO PCFM 2024 - November 2024</p>
Winter Security of Supply Contracts	<p>In anticipation of a possible requirement to put additional enhanced actions in place for Winter 2024/25 we included £25m for Winter Security Supply across Fixed Tariff 4 (Oct 24 -Mar 25). We are not anticipating any additional costs for Winter Security of Supply in Winter 2025/26. Therefore we are not forecasting any costs to be included in Fixed Tariff 6.</p>
2021/22 Under-Recovery of BSUoS	<p>We have identified an under recovery of £21.7m due to a calculation error in the 2021/22 charging year. This amount has now been included within Fixed Tariff 4 (Oct 24 - Mar 25)</p>

CMP398/412 Claims	<p>CMP398/412 follows the Grid Code Modification 0156, and provides a cost recovery mechanism for CUSC parties who do not currently hold contracts with the ESO to provide restoration services. Validated claims will be passed through the BSUoS tariff.</p> <p>Claims can only be submitted during September 2024, September 2025, and December 2025, with successful claims being paid out in 12 equal monthly installments from the following April. In September 2024, no successful claims were submitted, therefore we expect to return the £4.3m included in Fixed Tariff 5, in Fixed Tariff 6. Therefore we have no forecast costs for April 2025 to March 2026. We have revised our view of April 2026 to March 2027 to £14.6m.</p> <p>Forecast costs are currently based on a survey conducted by BEIS (now DESNZ)</p>
CMP408/415	<p>CMP408 and WACMI of CMP415 has been approved by OFGEM to begin 1 April 2025. Fixed Tariff 4 and 5 will continue to run their course, and Fixed Tariff 6 will be published December 2024, running from October 2025 to March 2026. The first seasonal tariffs Fixed Tariff 7 and Fixed Tariff 8 will be published under the new arrangements which includes a 3 month notice period on a 12 month fixed period.</p>
Interest Repayment	<p>Interest repayment reflects monies due following the over-recovery of BSUoS revenue from Fixed Tariff 1 (Apr 23 – Sep 23) and Fixed Tariff 2 (Oct 23 – Mar 24). The repayment of interest may be included as legacy term within the National Energy System Operator (NESO) license, and is dependent on the timing of the publication. As the newly established NESO, for Apr 25 to Mar 26 the interest repayment is now included in the internal NESO costs. Therefore forecast costs for this line item are zero.</p>
Additional NESO Framework Costs	<p>Additional costs are a high-level estimate of the potential impact of the new regulatory framework that will apply to the new National Energy System Operator (NESO). All the details of the implementation and funding of NESO have now been agreed, and going forward will be included in the internal NESO costs as published by NESO in the NESO Financial Model (NESO FM) by the end of November of each year. Therefore forecast costs for this line item are zero.</p>
Estimated BSUoS Volume	<p>The BSUoS volume has been changed to reflect the approved status of CMP308. This is applicable from April 2023</p>
BSUoS Reform	<p>As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. Fixed Tariff 1 for Apr 23 – Sep 23 and Fixed Tariff 2 for Oct 23 – Mar 24 were published by the end of January 2023. Fixed Tariff 3 for Apr 24 – Sep 24 was published at the end of June 2023.</p> <p>Fixed Tariff 4 for Oct- 24 to Mar- 25 was published 22 December 2023.</p> <p>Fixed Tariff 5 for Apr 25 – Sep 25 and Draft Tariff 6 for Oct 25 – Mar 26 were published 28 June 2024.</p> <p>This report shows the forecast costs for the next 24 months, not the recovery against the fixed tariff.</p> <p>BSUoS Fixed Tariff 2023-24 - Final - January 2023 (nationalenergyiso.com)</p> <p>BSUoS Fixed Tariff 2024-25 Final and Draft - July 2023 (nationalenergyiso.com)</p> <p>BSUoS Fixed Tariff 2024-25 Final and Draft - December 2023 (nationalenergyiso.com)</p> <p>BSUoS Fixed Tariff Final and Draft - June 2024 (nationalenergyiso.com)</p>