

Public

Ref: FOI/24/0034

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20 February 2025

Dear requester

Request for Information

Thank you for your request for information which was received by NESO on 22 January 2025 and passed to the Information Rights team to manage under the Freedom of Information Act 2000 (FOIA) and/or the Environmental Information Regulations 2004 (EIR). Your request has been considered under the EIR as we determine it meets the definition of 'environmental information' at Regulation 2(1).

The Information Rights team wrote to you on 24 January to confirm the information you wished to request, and you responded on 25 January. You contacted us again on 28 January, adding an additional question to your request.

Request

You asked us, in relation to the events of 8 January 2025:

1. *Can you confirm that you paid up to £5,750/MWh for extra gas power? and that you offered much less for the demand flexibility service. I read that you only offered £900/MWh.*
2. *Are these figures correct? if so, why the disparity in payments?*
3. *I would also like to know how this priority allocation fits with the OFGEM mandate to help achieve net zero.*
- 3a. *'I am trying to understand for the reasons behind your decision to prioritise extra gas supply vs power savings' [added by email on 28 February 2025].*

4. Also let me know if you agree with the 4 advantages I listed for cutting demand vs increasing supply, restated below, and where you disagree please explain why. There are several major advantages in reducing demand by consumers, rather than increasing supply, to meet a supply shortfall.

1. It would have cost a lot less – half the figure used to pay for extra gas would have had a major response from consumers cutting usage or exporting power from batteries.

2. The money would be going to consumers (customers) rather than suppliers.

3. Reducing demand is much greener than firing up more, ever dirtier, fossil fuel plants to provide the shortfall. Ofgem now have a mandate to help us achieve net zero so this should be a priority for you.

4. It would involve consumers in the flexibility service –something we will all have to participate in as we move to a supply lead grid. The sooner customers engage and benefit the better. It will encourage the installation of appropriate technologies.

Our response

In response to your questions for recorded information, NESO can confirm:

On 8th January the highest payment for electricity, procured through the Balancing Mechanism (BM), was £5,750/MWh.

On 8th January the maximum payment for electricity accepted through the Demand Flexibility Service (DFS) was £1,290/MWh.

The BM and DFS are two different tools, with decisions on procurement taken at different timescales.

The BM is NESO's primary tool for balancing supply and demand on Great Britain's network. The BM is a continuously open online auction, used to buy and procure the right amount of electricity required to balance the system in real time. Further information on the BM is available here: [What is the Balancing Mechanism? | National Energy System Operator](#).

The Demand Flexibility Service (DFS) is one of the Balancing Services that NESO employs to ensure the security and quality of electricity supply. The DFS is an auction, run 'within day' but several hours ahead of delivery and used to access additional flexibility when the national demand is at its highest.

The DFS was run on 8 January.

Information on DFS is available here: [Demand Flexibility Service \(DFS\) | National Energy System Operator](#). Data on the use of the DFS is published through NESO's Data Portal: [Demand Flexibility Service | National Energy System Operator](#).

In questions 3 and 3a, we understand that you are asking about 8 January 2025 – for information on decisions taken that day, please see the published article: [What happened with margins on 8 January? | National Energy System Operator.](#)

The events of 8 January were also addressed in NESO's Operational Transparency Forum on 15 January. A recording of the webinar and the accompanying slides are available: [Operational Transparency Forum | National Energy System Operator.](#)

The Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004 (EIR) require organisations subject to the legislation to respond to requests with recorded information held at the time of the request. There is no obligation to create new information nor to provide opinion or comment in response to a request. We have determined that the part of your request asking for NESO to agree or disagree with the statements you have provided is a request for opinion on those statements. We are therefore not responding to this part of your request under information rights legislation.

This concludes our response to your request.

Advice and Assistance

Regulation 9 of the EIR requires public authorities to provide advice and assistance to requesters.

As question 4 is a request for comment, you may wish to submit a new request for recorded information. We are not clear from the statements provided what recorded information you may be looking for. You may find the information provided in this response and the publicly available information about [NESO's remit and priorities](#) and the [Clean Power 20 Report](#) helps you to formulate a request for the recorded information you would like access to.

The Information Commissioner's Office provides guidance on the public's right to access information: [How to access information from a public authority | ICO.](#)

NESO also provides information on how we manage requests submitted under the FOIA and EIR, including a disclosure log of previous requests: [Freedom of Information and Environmental Information Regulations | National Energy System Operator.](#)

You may also be interested in NESO's Data Portal which supports transparency around NESO's decision-making by making datasets publicly available: [Welcome to the NESO Data Portal | National Energy System Operator.](#)

Next steps

You can ask us to review our response. If you want us to carry out a review, please let us know within 40 working days and quote the reference number at the top of this letter.

If you are still dissatisfied after our internal review, you can complain to the Information Commissioner's Office (ICO). You should make complaints to the ICO within six weeks of receiving the outcome of an internal review. The easiest way to lodge a complaint is through their website: www.ico.org.uk/foicomplaints. Alternatively, they can be contacted at: Wycliffe House, Water Lane, Wilmslow, SK9 5AF.

Thank you for your interest in the work of the National Energy System Operator (NESO).

Regards,

The Information Rights Team

National Energy System Operator (NESO)