



Innovation Basecamp 2026

4th February 2026 – Park Plaza, London



National Energy System Operator

NESO lies at the heart of the energy system as an independent, public corporation responsible for planning Great Britain's electricity and gas networks, operating the electricity system and creating insights and recommendations for the future whole energy system.

At the forefront of our efforts is delivering value for consumers. We work with government, regulators and our customers to create an integrated future-proof system that works for people, communities, businesses and industry.

NESO's primary duty is to promote three objectives: enabling delivery of a cleaner, affordable and reliable energy system for current and future consumers.

NESO will take a whole system approach, looking across natural gas, electricity and other forms of energy and will engage participants in all parts of the energy ecosystem to deliver the plans, markets and operations of the energy system of today and the future.



Stability Services from Distributed Assets

Presenters



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Network Services (Stability Markets)



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Network Operability, E&CS



Stability Market Overview

Background

- NESO procures Stability Services through its Stability Markets, which allow for procurement across a variety of time horizons for both economic and compliance reasons.
- Currently NESO has two live forms of the Stability Market, a Long-Term market which aims to build new capability to deliver system strength and Inertia services, and a Mid-Term market aimed primarily at procuring Inertia services (the design for these markets was based on the outputs of the Stability Market Design innovation project [NIA2_NGESO005](#)).
- The Mid-Term market facilitates an annual procurement exercise. NESO is currently running the third annual round of this tender. We have recently concluded our second procurement round where the results are to be published imminently.
- Currently the Long-Term Market is only for transmission connected solutions, whilst the Mid-Term market is also open to embedded connections at 132kV.



Problem Statement

NESO wish to understand the capability of distribution-connected assets at providing stability services. To date, there has been a lack of demonstrated and effective distribution connection assets that can meet the transmission network stability (system strength and inertia) requirements.

Reasons behind the problem statement?

Effectiveness Concerns: There are concerns about the effectiveness of distribution-connected assets in providing stability services.

Potential Conflicts: Potential interactions with equipment on the distribution network need to be understood.

Capability Assessment: NESO needs to understand the capability of distribution-connected assets to provide stability services before procuring them.

Why do you think these are the issues?

- These assets might conflict with existing equipment on the distribution network, leading to operational challenges and reliability issues.
- Internal and external factors or technical limitations may hinder access to stability services from distribution-connected assets. These barriers need to be explored and understood before a decision is made about their integration into the stability market.

To ensure value for money, NESO need to understand how effective and any limitation these assets may have at meeting the needs of the transmission system.



Our Expectations

What are we looking for?

Solution Expectations:

Understand Effectiveness: The solution should assess the effectiveness of distribution-connected assets in contributing to system stability.

Identify Technical Barriers: It should identify any technical barriers that could be faced when using distribution-connected assets to meet transmission system stability requirements.

Provide Insights: The solution should provide insights into the potential of distribution-connected assets to contribute to system stability.

Non-negotiables:

- Outputs must consider inputs from all relevant stakeholders
- The project must generate insights that can inform future market design decisions

Based on the findings of any innovation project, NESO will be better placed to assess if it is appropriate to expand the Stability Markets to procure stability services from distribution-connected assets (<132kV)



IMPORTANT

**It is important for all innovators to note
that we are looking for plans rather than
just ideas as solutions.**



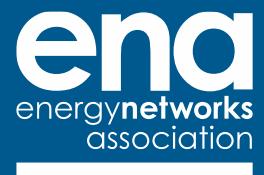
Key Contacts:

- **For further information / Clarity:**

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- **ANY QUESTIONS?**





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