

Response to Ofgem Frequency Risk and Control Report 2025 Consultation

12 September 2025

About EPUKI

EP UK Investments (EPUKI) is a UK energy company, primarily focusing on power generation from conventional and renewable sources.

EPUKI is the UK division of Energetický a průmyslový holding (EPH), a leading energy group of over 70 companies that owns and operates assets across Europe. EPH group employs circa 25,000 people internationally, owns €16.7bn of assets, generating €8.6bn of revenue and an EBITDA of €2.1bn.

Since it was established in 2015, EPUKI has expanded to be one of the largest independent generators in the UK and Ireland and owns and operates multiple renewable and flexible power generating assets in those markets. These include Lynemouth Power, a market leading 400 MW renewable biomass plant, and 3.3 GW of gas-fired plants which provide flexible generation and services: South Humber Bank, Langage, Ballylumford and Tynagh Energy. EPUKI is also investing in new flexible generation capacity in both the UK and Ireland.

Response to specific questions

Question 1) What is your view on NESO's FRCR 2025 policy to reduce the minimum system inertia requirement? Please explain your reasoning, with relevant evidence to support your views.

We are opposed to the proposal for a further reduction in the minimum system inertia requirement. The minimum level of system inertia has already been reduced from 140 GVA.s to 120 GVA.s since February 2024 and we are concerned that NESO is moving too quickly further to reduce a key operational parameter without a sensible consideration of the potential system security implications, including recent blackouts.

There are potentially significant risks associated with operating the transmission system at a lower level of inertia. The FRCR itself notes the occurrence of Sub-Synchronous Oscillations in Scotland, which do not appear to be fully understood, and the risk of disconnection of distributed generation associated with Rate of Change of Frequency, similar to the events of August 2019. We consider that better understanding of these issues and circumstances on other networks, including the blackout in the Iberian Peninsula in April 2025, is required before Ofgem permits the introduction of additional risk into GB system operation.

Despite NESO's modelling, we are concerned that there are factors which mean that system security could not be appropriately managed with a further reduction in the minimum level of system inertia. Our concerns are as follows:

- Inertia is still an estimated value. It is not currently measured with sufficient accuracy confidently to reduce the minimum inertia threshold to a very low level.
- Reducing the number of large synchronous units running at any given time increases the individual load for various ancillary services. Higher utilisation will create additional cost and impact on reliability of ancillary service providers, which does not appear to have been considered.
- Alternative sources of inertia to that provided by synchronous machines, such as synthetic inertia, is largely unproven as a reliable source of inertia provision at this point in time.

- Reducing the overall level of inertia will lead to demand-side inertia providing a higher proportion of total system inertia. Demand-side inertia is not well understood, is subject to less oversight, and is not proven during power system disturbances.

As a result of the above, we do not support the proposed move to a 102 GVA.s minimum inertia requirement. Better understanding of system stability issues and greater confidence in inertia modelling and measurement and in delivery of alternative sources of inertia is required before such a large reduction in the minimum inertia requirement is implemented. Full transparency of NESO's forecasting and modelling is required.

If Ofgem does decide to approve a reduction in the minimum inertia requirement, we would suggest a series for very small decreases (for example, no more than 5 GVA.s reduction) and each interim level must be maintained for at least a year to assess its impact, during which time modelling should be improved and wider implications considered. NESO's proposed 5 week trial period at an interim level would not necessarily capture seasonal effects of, for example, high solar and wind periods and is therefore far too short to validate NESO's modelling.

Question 2) Do you have any further comments?

No additional comments.