

Dear Ofgem,

I am responding on behalf of Flexitricity to your consultation on NESO's FRCR 2025 proposal to reduce the minimum system inertia limit.

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 support NESO's proposal. Having reviewed NESO's FRCR 2025 Methodology, the March consultation webinar, and subsequent FRCR 2025 Report, we believe NESO has struck the right balance between further reducing the cost to consumers and providing security of supply. We agree with NESO's cost-benefits analysis that it is more effective to procure additional fast-acting response compared to maintaining unnecessarily high inertia to achieve a balanced position.

Industry engagement with this proposal was relatively low in the spring, due to the significant number of consultations at that time. It would be unfortunate if consumers missed out on savings of up to £100m a year at a time of extreme pressure on customer bills, due to a low response rate from industry during a period of extreme pressure to respond to multiple consultations. We are happy to be able to respond to this final consultation, encouraging Ofgem's support for NESO's proposals.

Question 2) Do you have any further comments?

We note that Ofgem's consultation refers to the additional procurement of 200MW of "fast-acting frequency response", whereas NESO's suggestion in the spring was that the DC-Low requirement would specifically be increased. If approved, we would appreciate at least five working days' notice via both OTF and email notification, but preferably more than that.

Yours faithfully,

Claire Addison

Head of Regulation



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