

Modo Energy (Benchmarking) Limited Benchmark Statement

ME BESS GB Index Family

Created: 05 September 2025

Last Reviewed: 21 October 2025

1. Introduction	3
2. Definitions & Key Terms	4
3. Methodology Rationale & Approval Procedures	6
4. Benchmark Specifications & Input Data Criteria	8
5. Discretion & Judgement Controls	12
6. Procedures in Periods of Stress or Data Disruption	14
7. Procedures for Dealing with Errors and Re-Determinations	15
8. Potential Limitations of the Benchmark	17
9. Environmental, Social, and Governance (ESG) Factors	18

1. Introduction

This Benchmark Statement has been prepared by Modo Energy (Benchmarking) Limited (“Modo Energy” or “the Administrator”) in accordance with Article 27 of the UK Benchmarks Regulation (UK BMR).

Modo Energy administers the ME BESS GB Index Family, a set of benchmarks designed to measure the financial and operational performance of grid-connected battery energy storage systems (BESS) in Great Britain. These benchmarks provide transparency, comparability, and reproducibility for a rapidly growing market that underpins the UK’s transition to a reliable, low-carbon power system.

The purpose of this statement is to describe:

- Define the market or economic reality measured by the benchmarks, and the circumstances under which the measurement may become unreliable;
- describe the key methodological and technical specifications, including where and how discretion may be applied;
- set out the procedures for notification and management of changes or cessation of a benchmark; and
- advise users of the potential impact that changes to, or cessation of, a benchmark may have on financial contracts or investment instruments.

This statement applies to all indices within the ME BESS GB Index Family and should be read in conjunction with the Methodology Disclosure (Article 13):

<https://modoenergy.com/benchmarking/methodology/gb>

2. Definitions & Key Terms

Term	Definition
BESS	Battery Energy Storage System
Asset	A grid-connected Battery Energy Storage System operating in Great Britain that meets the eligibility criteria for inclusion in the ME BESS GB Index Family.
Balancing Mechanism (BM)	The system is operated by NESO and Elexon to balance electricity supply and demand in real time through accepted bids and offers from BM Units.
BM Unit (BMU)	A metered unit registered under the Balancing and Settlement Code (BSC) that represents a distinct generating or storage component within a site participating in the GB electricity market. A single site may register multiple BMUs where assets are separately metered. Only BMUs with full operational visibility and compliant market registration are eligible for inclusion in the benchmark.
Capacity Market (CM)	A GB market mechanism managed by EMRS to ensure electricity supply security by providing payments to generators or storage providers in return for capacity availability.
Divisor	A normalisation factor calculated daily as the sum of total rated power (MW) or energy capacity (MWh) of active assets, ensuring comparability across different asset sizes.

Elexon	The organisation responsible for operating the Balancing and Settlement Code (BSC) and managing settlement data in the GB electricity market.
EMRS (Electricity Market Reform Settlement Services)	The settlement body responsible for administering Capacity Market payments and maintaining associated registers.
EPEX SPOT	A regulated power exchange that provides wholesale market price data used in benchmark calculations for GB day-ahead and intraday markets.
Imbalance Settlement	The financial settlement process under which deviations between contracted and delivered electricity are priced using imbalance prices published by Elexon.
NESO (National Energy System Operator)	The GB's system operator is responsible for balancing supply and demand and publishing data on Ancillary Services, Balancing Mechanism actions, and other market operations.
N2EX	The Nord Pool / Elexon wholesale market platform provides day-ahead and intraday electricity price data for Great Britain.
Settlement Period	A 30-minute trading period used for market settlement and benchmark calculation within the GB electricity market.

3. Methodology Rationale & Approval Procedures

The ME BESS GB Index Family was established to provide a transparent, standardised measure of the revenue performance for utility scale grid-connected Battery Energy Storage Systems (BESS) operating in Great Britain.

Prior to its creation, there was no regulated administered index capturing the revenues earned across GB's multiple power markets. As institutional investors and market participants increasingly rely on these revenues for asset valuation, fund benchmarking, and risk management, a regulated benchmark was necessary to ensure consistency, comparability, and independence.

The rationale for adopting this methodology is to ensure that the benchmark provides a transparent and consistent representation of actual market revenues. The methodology achieves this purpose by:

- represent actual market activity of BESS assets, drawing primarily on public, verifiable data from reputable data providers such as the National Energy System Operator (NESO), Elexon, EPEX, N2EX, and EMRS;
- capture all major GB BESS revenue streams, including wholesale energy markets, Ancillary Services, Balancing Mechanism, Capacity Market, and Imbalance settlements;
- normalise results by capacity (MW/MWh) to ensure comparability between assets of different sizes and configurations;
- applying proportionate verification and assessment procedures where data completeness requires confirmation (e.g. market identification and capacity ratings), in accordance with Modo Energy's Discretion Policy and as outlined in section 5 below; and
- ensuring transparency and reproducibility through publicly available methodology disclosures in line with Article 13 of the UK BMR.

The methodology undergoes a structured review and approval process to ensure it remains accurate, relevant, and aligned with market conditions and regulatory requirements. Reviews are:

- Conducted annually by the Oversight Function;
- supported by quarterly internal audits assessing data integrity and operational consistency; and
- triggered ad-hoc when material market, data, or regulatory changes occur.

Any proposed methodology change follows a documented approval process that includes:

- Internal assessment by the Benchmarking Team and CPO;
- stakeholder consultation for material changes, typically providing a two-week feedback period; and
- formal approval by the Board of Directors and Oversight Function before implementation.

This approach ensures that the ME BESS GB Indices provide a representative, robust, and transparent measure of revenue performance for GB energy-storage assets, supported by strong governance, documented controls, and proportionate oversight consistent with their classification as non-significant benchmarks under the UK BMR.

4. Benchmark Specifications & Input Data Criteria

4.1. Criteria and Procedures for Inclusion and Determination

The ME BESS GB Indices are determined using defined and documented criteria that ensure the benchmark is based on reliable, representative, and verifiable data.

To be included in the benchmark determination process, an asset must meet all of the following criteria:

- **Size:** The asset must have a minimum rated export capacity of 6 MW.
- **Metering:** The asset must not share a meter with co-located generation or storage units, to ensure that data can be independently attributed to the specific asset.
- **Registration:** Only Balancing Mechanism Units (BMUs) are included. BMUs provide full operational transparency and reporting through regulated market systems. Non-BMU assets are excluded as they lack sufficient operational visibility outside of frequency response markets.
- **Availability:** Assets must demonstrate verifiable market participation on the relevant settlement day. An asset is considered *active* and included in the daily determination if it:
 - Submits Final Physical Notifications (FPNs) to Elexon; or
 - holds an active Ancillary Services contract (Dynamic Containment, Dynamic Regulation, or Dynamic Moderation).

Assets with no recorded market activity on a settlement day are excluded from the Index calculation for that day. This exclusion does not apply to Capacity Market revenues, where all assets with live Capacity Market contracts are included.

Only assets with sufficient operational visibility are included in the determination to ensure the accuracy and reliability of the benchmark.

4.2. Description of Input Data

The benchmark is determined using a defined set of input data, which is primarily derived from publicly available and reputable market sources.

Input data categories and their respective sources are as follows:

Data Type	Purpose in Determination	Primary Source
-----------	--------------------------	----------------

Ancillary Services Market Clearing Data	Calculate Ancillary Service Revenues from cleared price and volumes	NESO (auction results and market data)
Balancing Mechanism Actions	Revenue from accepted balancing bids and offers	Ellexon BMRS
Wholesale Market Prices	Revenues from day-ahead and intraday market participation	N2EX, EPEX
Capacity Market Payments	Revenues from awarded capacity contracts	EMRS
Imbalance Prices	Settlement of imbalance volumes based on system price	Ellexon
Operational and Metered Data	Determination of asset activity, availability, and delivered volumes	Ellexon
Asset Characteristics	Determination of asset capacity and eligibility	EMRS Register, NESO

Data on asset characteristics (MW/MWh) and commissioning is verified using multiple public sources. Where verification requires clarification or confirmation, the process follows Modo Energy's Discretion Policy to ensure all inputs and decisions are appropriate, consistent, and fully traceable.

4.3. Priority Given to Different Types of Input Data

The determination of the ME BESS GB Indices follows a defined hierarchy of input data, structured to ensure that the benchmark remains both timely and accurate.

This hierarchy establishes the priority given to data sources and the procedures to be followed when required inputs are missing or temporarily unavailable.

1. Primary Data – Real-time Market Data

Data obtained from NESO, Elexon, N2EX, EPEX, and EMRS represent the highest-priority sources and form the foundation of all benchmark calculations.

These datasets are publicly available and provide the most reliable representation of market activity and settlement outcomes.

2. Secondary Data – Post-Settlement Data

Post-settlement data from Elexon reconciliation runs are used to enhance accuracy once index values are published, these typically become available five working days after delivery.

This ensures that each Index remains aligned with the most complete and accurate available information while preserving the timeliness of publication based on initial market data.

Fallback procedures applied only when the minimum data required to determine a benchmark (see section below) is unavailable, ensuring continuity of publication and compliance with the UK BMR.

4.4. Minimum Data Requirements

To determine the ME BESS GB Indices, a minimum dataset must be available for each settlement period. This includes:

- Verified market price data from Elexon, N2EX, or EPEX;
- operational physical activity and metering data for eligible Balancing Mechanism Units (BMUs) from Elexon; and
- applicable ancillary service data from NESO.

Where any of these core datasets are missing or incomplete for a settlement period, benchmark publication follows Modo Energy's Fallback Policy. Temporary calculations may be produced using available validated inputs, provided they remain consistent with the published methodology. Once full data is restored, the benchmark is recalculated and updated values are communicated to stakeholders.

4.5 Models, Extrapolation, and Rebalancing Procedures

The ME BESS GB Indices are determined primarily from observed and verifiable market data, with limited use of discretion to confirm inputs, in line with our discretion policy.

No statistical models, forecasting techniques, or extrapolation methods are used in the calculation of index values.

All published figures are derived directly from validated inputs obtained from NESO, Elexon, N2EX, EPEX, and EMRS, in accordance with the published methodology.

The Indices do not require rebalancing in the traditional sense used for equity or commodity indices, as their constituents are naturally balanced through the divisor mechanism.

The divisor acts as a normalisation factor, ensuring that assets of all sizes can be benchmarked consistently.

It is calculated daily by summing the total rated power or energy capacity of all active assets, as described in the *Asset Availability* section of Modo Energy's [Article 13 Methodology Disclosure](#).

The divisor is recalculated each day to reflect changes in asset availability, ensuring that the Index continues to represent only those assets actively contributing to revenue generation.

Asset inclusion is determined in accordance with the eligibility criteria set out in the [Methodology Disclosure](#), based on operational BMU status, minimum capacity threshold, and verified market activity.

This approach ensures that the ME BESS GB Indices remain data-driven, transparent, and representative of actual market performance, without reliance on modelling, interpolation, or subjective estimation.

5. Discretion & Judgement Controls

While the ME BESS GB Indices are determined primarily from observed and verifiable market data, limited discretion may be applied in defined circumstances.

Where expert judgement is required to ensure the completeness or accuracy of input data, it is exercised under documented controls set out in Modo Energy's Discretion Policy and subject to independent oversight.

Scope of Judgement

Discretion is applied only in the following defined scenarios, where it is necessary to confirm data accuracy, completeness, or appropriate classification - without affecting the mechanical determination of the benchmark:

- Selection of data sources and active markets: Data sources are chosen based on their reliability, relevance to BESS operations, and whether the underlying market is active, transparent, and sufficiently liquid to produce dependable input data.
- Asset sizing (MW/MWh): Where publicly available information is incomplete, capacity figures may be verified using credible third-party or regulatory disclosure.
- Asset inclusion and identification (Market IDs): Market identifiers from providers such as EMRS, NESO, and Elexon are matched to eligible BESS assets.

Controls Governing the Use of Discretion

The application of discretion is governed by internal controls designed to ensure that decisions are transparent, consistent, and impartial:

- All discretionary decisions are fully documented, setting out the rationale for the final judgement together with the supporting evidence considered.
- Each decision is made within the Benchmarking Team under supervision of the Chief Product Officer, in accordance with the published methodology and internal policies.
- Discretionary actions are reviewed quarterly by the Board of Directors and the Oversight Function to confirm alignment with policy and regulatory requirements.
- Records are retained for at least five years to ensure full auditability and replicability of benchmark determinations.
- Information provided by legal persons involved in the ownership or operation of relevant assets may be used to validate, confirm, or supplement publicly available data where this information is reliable, relevant, and consistent with the published methodology. Such information is incorporated only where appropriate to ensure data completeness or accuracy, and all instances of its use are documented in the Discretion Register.

Governance and Oversight

All discretionary decisions are recorded within the Discretion Register and periodically reviewed by the Oversight Function to confirm that the exercise of judgement is consistent with the published methodology and the firm's governance framework.

6. Procedures in Periods of Stress or Data Disruption

The ME BESS GB Indices are designed to remain reliable and representative during periods of market stress, system disruption, or data unavailability.

When input data becomes insufficient, inaccurate, or unreliable, such issues are detected through Modo Energy's control framework, and benchmark determination continues in accordance with the Fallback Policy.

6.1 Data Validation and Detection

All benchmark input data collection is automated and is sourced from reputable platforms such as NESO, Elexon, EPEX, and N2EX, ensuring reliability and transparency. Automated validation checks - covering volume thresholds and historical consistency - run continuously to identify irregularities or missing data, allowing issues to be detected and addressed promptly as outlined in Modo Energy's control framework.

6.2 Fallback Procedures in Periods of Stress or Data Insufficiency

During periods of stress, if one or more primary data sources become unavailable or unreliable, benchmark determination proceeds using the procedures defined in the Fallback Policy.

Temporary benchmark calculation:

Where partial data prevents normal determination of the benchmark, the affected data sources - and their corresponding revenue streams - are temporarily excluded until validated data becomes available.

No simplified or substitute methodology is applied. Once complete data becomes available, the benchmark is recalculated using the full methodology, and stakeholders are notified of any revisions.

Governance and record-keeping:

All fallback activations are logged and retained in accordance with Modo Energy's governance framework.

6.3 Business Continuity and Operational Resilience

Modo Energy maintains a Business Continuity and Disaster Recovery Plan to ensure the continued administration of benchmarks in the event of operational disruption.

This plan activates automatically in cases of system failure, power outage, or natural or man-made events affecting business operations.

It provides for secure data backups, mirrored cloud environments, and rapid restoration of benchmark systems to minimise downtime and preserve data integrity.

7. Procedures for Dealing with Errors and Re-Determinations

Errors in input data or in the determination of the benchmark are addressed through the corrective procedures set out in Modo Energy's Consistency and Continuity section within the published methodology.

7.1 Types of Errors Requiring Re-Determination of the Benchmark

Errors may arise from two primary sources:

1. External data-provider errors - where incorrect or missing data originates from regulated market data sources (e.g., NESO, Elexon, EPEX, or N2EX).
2. Asset-level data errors - where issues relate to asset sizing, identification (e.g., market IDs), or other asset characteristics, which may later be identified as incorrect following review or updated information.

7.2 Correction Procedures for Dealing with Errors

- **Verification:**

1. For data-provider errors, the issue is confirmed directly with the relevant source before any recalculation takes place.
2. For asset-level errors, once the issue has been identified and the previous discretionary decision reviewed, corrective actions are validated.

- **Re-determination:**

After verification, the benchmark is re-determined using the corrected data in accordance with the published methodology.

Revised figures are published, and corrective actions are communicated to stakeholders to ensure that all benchmark values reflect the most accurate and up-to-date information.

- **Documentation:**

All corrections - whether arising from external data or asset-level adjustments- are recorded in the Correction Log, with details of the issue, supporting evidence, corrective action taken, and outcome.

7.3 Governance

A re-determination is carried out whenever a confirmed error affects the benchmark values or published outputs.

All error events and re-determinations are logged, reviewed by the Oversight Function, and retained for a minimum of five years to ensure transparency, auditability, and compliance with the UK BMR.

8. Potential Limitations of the Benchmark

The ME BESS GB Indices are designed to reflect the financial and operational performance of grid-connected battery energy storage systems (BESS) operating in Great Britain. While the benchmarks are based entirely on publicly available and verifiable market data, certain potential limitations may affect their operation or representativeness in specific market conditions:

- **Reference pricing in wholesale markets:**

The benchmark incorporates wholesale market reference prices from regulated exchanges. These reference prices may not fully reflect the actual transaction prices achieved by individual BESS assets.

Modo Energy does not use private or proprietary data to supplement these inputs, in line with its Conflict of Interest Policy, which ensures the benchmark remains independent and free from commercial influence.

- **Operation in illiquid or fragmented markets:**

The benchmark relies on active participation of BESS assets across GB power markets. If these markets were to become illiquid or fragmented - such that there is no BESS market activity to represent - the benchmark would no longer have a reliable basis for determination. In such circumstances, this would constitute a cessation event as described in our Cessation Plan (Article 28).

- **Concentration of inputs:**

The benchmark relies on a limited number of regulated data providers and specific market datasets (e.g., NESO, Elexon, EPEX, and N2EX). This concentration of inputs may increase sensitivity to operational or publication changes by any single source.

Significant structural reforms in GB electricity markets or material changes in data-provider reporting could therefore affect the benchmark's ability to represent market outcomes under the existing methodology. In such cases, Modo Energy would review and, if necessary, amend the methodology to ensure it continues to produce a fair and representative measure of GB BESS market performance. If it is determined that the available data no longer enables the benchmark to do so, this would constitute a cessation event as described in Modo Energy's Cessation Plan (Article 28).

9. Environmental, Social, and Governance (ESG) Factors

Modo Energy (Benchmarking) Limited has reviewed the relevance of environmental, social, and governance (ESG) considerations in accordance with Articles 27(2a) of the UK Benchmarks Regulation.

Modo Energy (Benchmarking) Limited does not currently administer any UK Climate Transition Benchmarks or UK Paris-aligned Benchmarks.

The benchmarks within the ME BESS GB Index Family do not pursue ESG objectives and do not take ESG factors into account in their methodology or administration. This reflects the purpose of the benchmarks, which are designed to measure the revenue performance of grid-connected battery energy storage systems (BESS) in Great Britain, rather than sustainability or environmental outcomes.

In accordance with UK Benchmarks Regulation, the following ESG disclosure template has been completed. This confirms that no ESG factors are incorporated into the benchmark methodology or administration.

ESG DISCLOSURES	
SECTION 1 – CONSIDERATION OF ESG FACTORS	
Item 1. Name of the benchmark administrator.	Modo Energy (Benchmarking) Limited
Item 2. Type of benchmark or family of benchmarks.	ME BESS GB Index Family
Item 3. Name of the benchmark or family of benchmarks.	No
Item 4. Are there in the portfolio of the benchmark administrator any UK Climate Transition Benchmarks, UK Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	No
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	No
Item 6. Where the response to Item 5 is positive, provide below the details (score) in relation to the ESG factors listed in Annex II for each family of benchmarks at aggregated level. The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.	
a) List of combined ESG factors;	Not Applicable
b) List of environmental factors;	Not Applicable

c) List of social factors;	Not Applicable
d) List of governance factors;	Not Applicable
Item 7. Where the response to Item 5 is positive, provide below the details (score) for each benchmark, in relation to the ESG factors listed in Annex II, depending on the relevant underlying asset concerned. Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in the benchmark statement. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years.	
a) List of combined ESG factors;	Not Applicable
b) List of environmental factors;	Not Applicable
c) List of social factors;	Not Applicable
d) List of governance factors;	Not Applicable
Hyperlink to the information on ESG factors for each benchmark	Not Applicable
Item 8. Data and standards used	
a) Description of data sources used to provide information on the ESG factors in the benchmark statement. <i>Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.</i>	Not Applicable
b) Reference standards. <i>List the supporting standards used for the reporting under item 6 and/or item 7</i>	Not Applicable
SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS FOR UK CLIMATE TRANSITION AND UK PARIS-ALIGNED BENCHMARKS	
Item 9. Where a benchmark is labelled as ‘UK Climate Transition Benchmark’ or ‘UK Parisaligned Benchmark’, benchmark administrators shall also disclose the following information:	
a) forward-looking year-on-year decarbonisation trajectory;	Not Applicable
b) degree to which the IPCC decarbonisation trajectory (1,5 °C	Not Applicable

with no or limited overshoot) has been achieved on average per year since creation;	
c) overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818 ^a , using the active share at asset level.	Not Applicable
SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT	
Item 10. By the date of application of this Regulation, for significant equity and bond benchmarks, UK Climate Transition Benchmarks and UK Paris-aligned Benchmarks, benchmark administrators shall also disclose the following information. By 31 December 2021, benchmark administrators shall, for each benchmark or, where applicable, each family of benchmarks, disclose the following information:	
a) Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement;	No
b) the temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining of the objectives of the Paris Agreement;	Not Applicable
c) the name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	Not Applicable
d) the methodology used for the measurement of the alignment with the temperature scenario;	Not Applicable
e) the hyperlink to the website of the temperature scenario used.	Not Applicable

Date on which information has last been updated and reason for the update:	October 2025: Initial completion of ESG disclosure.
---	---