Benchmark Statement

Modo Energy (Benchmarking) Limited · ME BESS GB Index Family

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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:

- 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 to, 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.
Ancillary Services	Services procured by NESO to operate the electricity system, including dynamic frequency response (Dynamic Containment, Dynamic Regulation and Dynamic Moderation) and reserve services (Balancing Reserve, Quick Reserve and Slow Reserve).

Term	Definition
Balancing Mechanism (BM)	The mechanism used by NESO to balance electricity supply and demand in real time by accepting bids and offers from BM Units. Balancing Mechanism actions are settled by Elexon.
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 mechanism to ensure security of electricity supply by providing payments to generators and storage providers in return for capacity availability. Capacity Market payments are settled by EMRS.
Correction Log	Modo Energy's record of confirmed errors and restatements, with the supporting evidence, the corrective action taken (if any) and the outcome.
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 administering the Balancing and Settlement Code (BSC) and managing settlement data in the GB electricity market.
EMRS (Electricity Market Reform Settlement)	The settlement services provider 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.
Fixed period	The period from the fixing date onwards, during which the Index values for a settlement day are final.
Fixing date	The date on which the Index values for a settlement day become final: 45 calendar days after that settlement day, which counts as day 0. For example, values for 1 September are fixed from 16 October.
Imbalance Settlement	The financial settlement process under which deviations between contracted and delivered electricity are priced using imbalance prices published by Elexon.
Metered data validation	The automated daily tests of each asset's settlement metered data against its rated power and energy capacity.
NESO (National Energy System Operator)	Great Britain's system operator, responsible for balancing supply and demand and publishing data on Ancillary Services, Balancing Mechanism actions and other market operations.

Term	Definition
N2EX	Nord Pool's GB wholesale market platform, which provides day-ahead electricity price data for Great Britain.
Revised publication	Elexon's republication of the Balancing Mechanism stack (ISPSTACK) and the imbalance price series (DISEBSP), issued approximately 25 hours after each settlement period.
Settlement Period	A 30-minute trading period used for market settlement and benchmark calculation within the GB electricity market.
Settlement Run	A scheduled Elexon settlement calculation for a settlement day (II, SF, R1, R2, RF and DF), each offering progressively refined data.
Unfixed period	The period from the settlement day up to and including the day before the fixing date, during which Index values are updated as newer data becomes available.

3. Methodology Rationale & Approval Procedures

The ME BESS GB Index Family was established to provide a transparent, standardised measure of the revenue performance of 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:

- representing 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;
- capturing all major GB BESS revenue streams, including wholesale energy markets, Ancillary Services (dynamic frequency response and reserve services), the Balancing Mechanism, the Capacity Market, and imbalance settlement;
- normalising 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.

Every proposed methodology change is assessed internally by the Benchmarking Team and the CPO, and assigned to one of three categories defined in section 7.1 of the Methodology Disclosure: benchmark-level changes, material methodology changes and methodology enhancements. The assessment and the category are recorded in the methodology change archive.

- **Material methodology changes** are reviewed by the Oversight Function, approved by the Board of Directors, and published with an impact analysis for a two-week stakeholder consultation before implementation.
- **Methodology enhancements** are reviewed by the Oversight Function and approved by the Board of Directors. Where they change or restate published values, they are notified to subscribers before implementation. Where necessary, an impact analysis is published after implementation.
- **Benchmark-level changes** and cessation are governed by the Change and Cessation Policy (Article 28) and summarised in section 9 of this statement.

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 rated power of 7 MW or larger.
- 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 Ancillary Services contract.

Assets with no recorded market activity on a settlement day are excluded from the Index calculation for that day.

Assets are also excluded from the Index calculation on any settlement day on which their metered data fails the metered data validation set out in section 4.2.1 of the Methodology Disclosure.

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 Services revenues from cleared prices and volumes	NESO (auction results for dynamic frequency response and reserve services)
Balancing Mechanism Actions	Revenue from accepted balancing bids and offers	Elexon BMRS (ISPSTACK, revised publication)
Wholesale Market Prices	Revenues from day-ahead and intraday market participation	N2EX, EPEX
Capacity Market Payments	Revenues from awarded capacity agreements	EMRS
Imbalance Prices	Settlement of imbalance volumes based on system price	Elexon (DISEBSP, revised publication)
Operational and Metered Data	Determination of asset activity, availability, delivered volumes and metered data validation	Elexon (Physical Notifications and settlement metered volumes, B1610)

Data Type	Purpose in Determination	Primary Source
Asset Characteristics	Determination of asset capacity (rated power and energy capacity) and eligibility	London Stock Exchange RNS announcements, EMRS Capacity Market register, awarded Ancillary Services contracts, and NESO and Elexon operational data (settlement metered volumes, Physical Notifications and, where available, Maximum Delivery Offer and Bid data)

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. For Balancing Mechanism actions and imbalance prices, Elexon's revised publication replaces the original publication once it is issued, approximately 25 hours after each settlement period.
2. **Secondary Data: Post-Settlement Data.** Post-settlement data from Elexon, such as settlement metered data, is used to enhance accuracy once index values are published. Settlement metered data typically becomes available five working days after delivery, from the Interim Information (II) settlement run.

Where a later version of the data is published for a settlement period, it replaces the earlier version until the fixing date. Index values for each settlement day are fixed on the fixing date, 45 calendar days after that settlement day. Settlement runs published on or after the fixing date are not incorporated.

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

Fallback procedures are applied only when the minimum data required to determine a benchmark (see section 4.4) 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 Services data from NESO.

Where any of these core datasets are missing or incomplete for a settlement period, benchmark publication follows Modo Energy's Fall-back Systems and Arrangements Policy (section 7 of the Compliance Manual). Temporary calculations may be produced using available validated inputs, provided they remain consistent with the published methodology.

Where the data provider supplies the missing data within the unfixed period, the benchmark is recalculated as part of the standard validation process, and this is not notified individually. Where required data is still missing on the fixing date, the Index values for that settlement day are fixed on the data available. The fixed values are restated only where the missing data has a significant impact on them, under the Correction Policy in section 7.

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, the minimum rated power, verified market activity and metered data validation.

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.

Metered data validation (section 4.2.1 of the Methodology Disclosure) is fully automated and involves no discretion. An asset that fails a test is excluded for that settlement day.

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 Fall-back Systems and Arrangements 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, N2EX and EMRS, 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. These include the daily metered data validation of each asset against its rated power and energy capacity (section 4.2.1 of the Methodology Disclosure).

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 Fall-back Systems and Arrangements 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. Where complete data becomes available within the unfixed period, as defined in section 5.7 of the Methodology Disclosure (Article 13), the benchmark is recalculated using the full methodology as part of the standard validation process. Where data is still unavailable on the fixing date, the Index values for that settlement day are fixed on the data available, and restated only where data supplied later has a significant impact on them, as set out in section 4.4.

Governance and record-keeping: All fallback activations are logged and retained in accordance with Modo Energy's governance framework, and reported to the Oversight Function at the next quarterly review. Data that a data provider has not yet published within its normal publication schedule is not a fallback activation.

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

This section sets out Modo Energy's Correction Policy. It applies to errors in input data or in the determination of the benchmark, and to required input data supplied after the fixing date.

7.1 Types of Errors Requiring Re-Determination of the Benchmark

Errors may arise from three sources:

1. External data-provider errors: where incorrect or missing data originates from regulated market data sources (e.g. NESO, Elexon, EPEX, N2EX or EMRS).
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.
3. Calculation errors: where Modo Energy's calculation or systems do not apply the published methodology correctly.

The following are not errors and do not lead to a re-determination under this section:

- updates made within the unfixed period as part of the standard validation process, such as Elexon's revised publication of Balancing Mechanism and imbalance price data, the Elexon II and SF settlement runs, asset inclusion changes and metered data exclusions; and
- restatements arising from an approved methodology change or enhancement (see section 7.4).

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.
3. For calculation errors, the issue is confirmed by recalculating the affected values in accordance with the published methodology.

Errors identified within the unfixed period. These are corrected before the affected values are fixed, as part of the standard validation process.

Errors identified on or after the fixing date.

- Every confirmed error is recorded in the Correction Log, and customers are informed within 48 hours of confirmation.
- Fixed values are corrected only where a confirmed error has a significant impact on them. The Board of Directors decides whether to correct the fixed values, after review by the Oversight Function.
- Where a correction is approved, users are notified in advance, with an impact analysis. The benchmark is then re-determined using the corrected data in accordance with the published methodology, and revised values are published.

Missing data supplied after the fixing date.

- Where required input data was missing on the fixing date (see section 4.4) and the data provider later supplies it, the Benchmarking Team validates the data and decides whether its impact on the fixed values is significant.
- The fixed values are restated only where the missing data has a significant impact on them, such that they no longer represent the market or economic reality the benchmark measures. Otherwise, the fixed values stand.
- The outcome, including any restatement, is recorded in the Correction Log, which is reviewed quarterly by the Oversight Function and the Board of Directors (section 7.3).

Documentation. All confirmed errors, whether or not they result in a re-determination, 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 where a confirmed error meets the criteria set out in section 7.2, or where missing data supplied after the fixing date has a significant impact on the fixed values. All error events, missing data supplied after the fixing date, restatements and re-determinations are recorded in the Correction Log, which is reviewed quarterly by the Oversight Function and the Board of Directors. Records are retained for a minimum of five years to ensure transparency, auditability, and compliance with the UK BMR.

7.4 Restatements Arising from Methodology Changes

A restatement of historical values that arises from an approved methodology change or enhancement is not an error and is not a re-determination under this section. Values calculated in accordance with the methodology in force at the time remain correct as calculated. Such restatements are disclosed in the change notice and any impact analysis and recorded in the methodology change archive rather than the Correction Log.

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.
- **Fixing date.** Index values are fixed 45 calendar days after each settlement day. Elexon reconciliation runs published after this point (R1, R2, RF and DF) are not incorporated, so fixed values may differ slightly from final settlement outcomes.
- **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 section 9 and in the Change and Cessation Policy (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 section 9 and in the Change and Cessation Policy (Article 28).

9. Changes to and Cessation of the Benchmark

This section summarises the arrangements set out in Modo Energy's Change and Cessation Policy (Article 28).

9.1 Circumstances That May Lead to a Benchmark-Level Change or Cessation

Factors, including external factors beyond the control of Modo Energy, may necessitate changes to, or the cessation of, the benchmark. A benchmark-level change is a change that alters the objective of the ME BESS GB Indices, the market measured or the economic reality represented, or results in an index being replaced or discontinued

(section 7.1 of the Methodology Disclosure). A benchmark-level change or cessation may be considered where:

- input data from NESO, Elexon, EPEX, N2EX or EMRS ceases to be published or becomes permanently unavailable, and no suitable alternative source exists;
- a fundamental change in GB electricity market design renders the benchmark unable to represent the intended market reality;
- the FCA or another competent authority requires modification or cessation of the benchmark; or
- the benchmark is no longer commercially or operationally viable to maintain within the UK BMR framework.

9.2 How a Decision Is Made and Communicated

- Modo Energy first assesses whether reliable input data or a methodology amendment would allow continued publication in a fair, representative and compliant form, and assesses the impact on users and on financial contracts and instruments known to reference the affected index.
- The Oversight Function reviews the assessment, and the Board of Directors approves any benchmark-level change or cessation.
- Modo Energy notifies the FCA before any planned benchmark-level change or cessation, and publishes a public notice on its website at least 30 calendar days in advance.
- Subscribers, redistributors and other known stakeholders receive direct communication setting out the reason, the expected timeline including the effective date, the expected impact on users, and any implications for data access, archive availability or potential alternatives.
- In exceptional or unforeseen circumstances, such as an immediate loss of input data, Modo Energy notifies the FCA and users as soon as practicable.

9.3 Potential Impact on Users

Changes to, or the cessation of, any index in the ME BESS GB Index Family may have an impact on the financial contracts and financial instruments that reference it, or on the measurement of the performance of investment funds, and on any valuation, risk management or performance measurement that relies on it. Depending on the terms of each contract or instrument, users may need to:

- apply the fallback provisions in their contracts, or agree new ones;
- amend or renegotiate contracts that reference the affected index;
- revalue positions, or reassess risk and performance measures, that rely on the affected index; and
- adjust internal processes and systems that use the index.

Due to the specialised design of the ME BESS GB Index Family, there is no directly comparable or substitutable benchmark provided by another administrator. Any event that prevents Modo Energy from continuing publication would equally affect the underlying data available to other providers.

9.4 Transition and Post-Cessation Arrangements

- During the notice period, Modo Energy continues to publish benchmark values where feasible, using validated data in accordance with its Fall-back Systems and Arrangements Policy, until the announced date.
- For a benchmark-level change, the notice sets out the date from which the changed methodology applies and an impact analysis comparing values under the current and the changed methodology. Values published under the previous methodology remain available.
- Where only one index in the family is affected, the notice sets out whether another index in the ME BESS GB Index Family could serve as a reference, and the differences between them.
- On cessation, a final benchmark value is published and clearly labelled as such.
- Historical data, methodology documentation and supporting materials remain accessible for at least five years.

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

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

Section 1: Consideration of ESG factors

Item	Response
1. Name of the benchmark administrator.	Modo Energy (Benchmarking) Limited
2. Type of benchmark or family of benchmarks.	Other
3. Name of the benchmark or family of benchmarks.	ME BESS GB Index Family (ME BESS GB, ME BESS GB (1H) and ME BESS GB (2H))
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	No

Item	Response
ESG factors?	
5. Does the benchmark or family of benchmarks pursue ESG objectives?	No
6. Where the response to Item 5 is positive, details (score) of the ESG factors listed in Annex II for each family of benchmarks at aggregated level: (a) combined ESG factors; (b) environmental factors; (c) social factors; (d) governance factors.	Not Applicable
7. Where the response to Item 5 is positive, details (score) for each benchmark of the ESG factors listed in Annex II: (a) combined; (b) environmental; (c) social; (d) governance; and a hyperlink to the information on ESG factors for each benchmark.	Not Applicable
8. Data and standards used: (a) description of data sources used to provide information on the ESG factors; (b) reference standards.	Not Applicable

Section 2: Additional disclosure requirements for UK Climate Transition and UK Paris-aligned Benchmarks

Item	Response
9. (a) Forward-looking year-on-year decarbonisation trajectory; (b) degree to which the IPCC decarbonisation trajectory (1.5°C with no or limited overshoot) has been achieved on average per year since creation; (c) overlap between those benchmarks and their investable universe, using the active share at asset level.	Not Applicable

Section 3: Disclosure of the alignment with the objectives of the Paris Agreement

Item	Response
10. (a) Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement?	No
10. (b) to (e) Temperature scenario, provider, measurement methodology and hyperlink.	Not Applicable
Date on which information has last been updated and reason for the update.	October 2025: initial completion of ESG disclosure. 23 November 2026: reviewed as part of the annual review; no change to the ESG position.

Document History

Date	Change

Date	Change
23 November 2026	Reviewed as part of the 2026 annual review. Definitions updated (section 2). Approval procedures aligned with the categories of change in methodology version 3.2 (section 3). Minimum size corrected to 7 MW rated power, Capacity Market exception removed and metered data validation exclusion added (section 4.1). Elexon revised publication and asset characteristic sources added (section 4.2). 45-day fixing date introduced (sections 4.3, 4.4 and 6.2). Metered data validation added (sections 5 and 6.1). Correction Policy updated, including how fixed values are corrected (section 7). Fixing date limitation added (section 8). Summary of change and cessation arrangements and the potential impact on users added (section 9). ESG disclosure corrected (section 10).
21 October 2025	Reviewed.
05 September 2025	Created.