

# **Contents**

E>	KECUTIVE SUMMARY	3
1	INTRODUCTION	5
	1.1 About Electricity North West	5
2	DISTRIBUTION FLEXIBILITY SERVICE REQUIREMENTS	6
	2.1 Our approach to flexibility	6
	2.2 Future requirements	7
	2.3 2025/26 tenders	8
	2.4 Data tables	12
	2.5 Dispatch of flexibility services	20
3	TENDERING PROCESS	21
	3.1 Tendering Platform	21
	3.2 Spring 2025 procurement timeline	21
	3.3 Autumn 2025 procurement timeline	21
	3.4 Criteria for participation	21
	3.5 Procurement process	22
	3.6 Signposting	23
	3.7 Pricing strategy	24
	3.8 Bidding	24
	3.9 Contracts	24
4	STAKEHOLDER ENGAGEMENT	25
	4.1 Flexibility market information	25
	4.2 Industry engagement	27
	4.3 Network user and customer engagement	28
	4.4 Planned engagement activities 2025/26	29
5	DETAILED QUANTITATIVE ASSESSMENT	30
6	CONTACT US	31
7	RESOURCE LIBRARY	32
8	USEFUL LINKS	33
9	GLOSSARY	32

#### **EXECUTIVE SUMMARY**

Welcome to our fifth Distribution Flexibility Services Procurement Statement, in which we set out our plans for procuring flexibility services for the forthcoming regulatory year.

In line with the Clean Energy for all Europeans Package introduced by UK Government in December 2020 (Incentives for the use of flexibility in distribution networks), the Office of Gas and Electricity Markets (Ofgem) added a new condition to our Electricity Distribution Licence: Standard Licence Condition 31E: Procurement and use of Distribution Flexibility Services (C31E). C31E sets out the conditions under which distribution licensees can procure flexibility, what principles they should apply during the procurement process, and the need to take a coordinated approach with other parties for the procurement and use of flexibility services.

This Statement sets out Electricity North West's approach for supporting and developing the flexibility market in Great Britain as we proactively engage with flexibility stakeholders and collaborate with wider industry to deliver simplicity, commonality, accessibility and transparency throughout our flexibility processes in this fast-developing sector. It also set outs our short- and long- term expected flexibility services requirements for the forthcoming regulatory year and beyond.

Our volume of flexibility requirements has increased significantly since our first tender launch in 2018 which sought 7.5MW of capacity between 2020-23 compared to our requirements in 2024 which sought 870MW between 2024-28. During the RIIO-ED2 period we will continue to see an increase in the requirements for flexibility and energy efficiency across our network and we are excited about the opportunities for Flexibility Service Providers (FSPs) and benefits to customers that this delivers.

In line with the commitments we made in our RIIO-ED2 business plan, in Spring 2023 we tendered for platform services for the procurement, availability declaration, scheduling, baselining, dispatch and settlement of flexibility. We successfully onboarded <u>ElectronConnect</u> from Spring 2024 and with them we now manage the whole flexibility procurement process from end to end (from market identification and participation through to API dispatch and settlement). This development reinforces our commitment to simplifying the procurement process for FSPs to drive market participation and liquidity. We will continue to further enhance the experience for FSPs and build efficiencies into our flexibility procurement process.

We publish our requirements twice a year, in Spring and Autumn, in line with the completion of our network loading analysis, <u>Distribution Future Electricity Scenarios (DFES)</u> and <u>Distribution Network Options Assessment (DNOA)</u> processes, and subsequent reviews. In response to stakeholder feedback gathered throughout 2024, this year we developed a Low Voltage (LV) flexibility product which was included in our Autumn 2024 tender. We are committed to expanding our procurement of flexibility services to include a greater number of LV substations in addition to our current requirements at Extra High Voltage (EHV) substations, to help manage constraints at both levels. From our Spring 2025 tender we will increase the volume of connections-driven reinforcement to be included in our tenders, the focus for this will be to both accommodate and accelerate connections onto our network before capacity is released by conventional reinforcement.

Such progress is made possible by the development of our Active Network Management (ANM) system and the further roll out of smart meters with additional monitoring at HV and LV this year. These cutting-edge technologies and platforms will seamlessly facilitate the procurement and operation of flexibility on our electricity network, ultimately driving enhanced value for customers across the North West region. More information on these digital advancements is provided in section 2.2 of this report.

### **EXECUTIVE SUMMARY**

Below is an overview of our forecasted requirements for the remainder of RIIO-ED2 with further details provided in Section 2.3. We also publish data tables alongside this report providing further detail.

2026-28 FLEXIBILITY SERVICES REQUIREMENTS							
Location	Capacity required (MW)	No. of requirements	£ available				
Cumbria	274.15	34	4,499,107				
Lancashire	397.68	62	4,332,136				
Greater Manchester	154.79	99	3,367,893				
Totals	826.62	195	12,199,137				

2026-28 FLEXIBILITY SERVICES PRODUCTS AND VALUES							
Product	Sum of capacity required (MW)	Sum of ceiling price for period (£)					
Operational Utilisation	374.71	4,532,210					
Operational Utilisation & Variable Availability	449.58	7,607,284					
Scheduled Utilisation	2.33	59,642.73					
Peak Reduction	449.58	7,607,284					

A Distribution Flexibility Procurement Report detailing the flexibility services we tendered for, contracted and dispatched in 2024/25 will be published alongside our forward-looking statement within our <u>document library</u> in April 2025 to provide an annual summary of our progress to date.

#### 1. INTRODUCTION

#### 1.1 About Electricity North West

Electricity North West is one of 6 Distribution Network Operators (DNOs), covering 14 licence areas in GB regulated by Ofgem. We operate the local electricity network and distribute electricity, to 2.4 million homes and businesses in the North West.

We are responsible for maintaining and upgrading 13,000 km of overhead power lines, more than 44,000 km of underground electricity cables and nearly 500 major substations across the region. We supply electricity to the diverse communities in the North West of England which extends from Macclesfield all the way up to Carlisle.

Our network in the North West is one of the most reliable in the country and we are investing £2bn between 2023-28 to ensure we continue to deliver an excellent, safe and affordable service to all our customers.

From 1 April 2023, we entered a regulatory price control period referred to as RIIO-ED2, which runs until March 2028. During this period, we will see significant change in the way and amount of electricity that is generated, consumed and stored, driving innovation across the whole energy system both now and into the future.

This document sets out our flexibility requirements for the coming period between April 2025 and March 2026, and the remainder of RIIO-ED2 which sees our highest ever requirements and the inclusion of LV requirements.





#### 2.1 Our approach to flexibility

The use of flexibility services is a key Distribution System Operation (DSO) function and an instrument of change, as it facilitates the North West's transition to Net Zero. The rise in low carbon technologies will ultimately result in significantly more demand being placed on our network and utilising flexible solutions is pivotal to delivering this additional required capacity.

We are therefore trialling smarter techniques to use the existing network more efficiently, which will reduce costs for all our electricity customers in the future. Some of the ways in which we can facilitate the transition to Net Zero, whilst utilising our existing network, is through the procurement of flexibility services and promotion of energy efficiency measures.

In our RIIO-ED2 business plan, we used cost benefit analysis (CBA) to present how the use of flexibility services can be cost efficient for our customers.

At times of high electricity demand and when the network is operating abnormally, we are looking to enter into contracts with FSPs to adjust how much electricity they consume or generate either through flexibility or energy efficiency measures, in return for financial payment as an alternative to traditional approaches. The aim is to reduce the cost for electricity distribution networks in customer energy bills while ensuring that our network remains reliable, resilient and meets our customers' needs.

Our approach to the use of flexibility services to support a capacity requirement is two-fold; flexibility services can be a key interim solution while we assess load growth and consider options for conventional reinforcement, avoiding inefficient piecemeal network expansion and stranded assets. Alternatively, flexibility services allow us to mitigate the risk if demand growth is accelerated and there is a long lead time associated with asset-based interventions.

In some instances, depending on the level of flexibility market in the location of the capacity requirement, and the scale of the capacity requirement, flexibility services could be considered as an enduring network solution.

We remain committed to developing flexibility services and creating an attractive marketplace for all network users with connected distributed energy resources (DERs). We will continue to adopt a neutral market position in everything we do

Each year we aim to increase the accessibility and transparency of flexibility services opportunities. The publication of our first Network Development Plan (NDP) in 2022 was an important step in presenting best view flexibility requirements for network areas with capacity needs in the next 10 years.

We will continue to provide more breadth and depth to our flexibility procurement options to drive participation in our tenders and increase market liquidity.

We are intending to further develop our LV flexibility procurement requirements and improve alignment of our internal processes and resources to support delivery of LV procurement products.

We will also continue to incorporate energy efficiency schemes into our flexibility services tenders as we believe that encouraging more informed and intelligent energy consumption is beneficial to our regional network whilst also contributing to whole system benefits. The energy efficiency service allows system users to earn revenue from carrying out long term energy efficiency activities whilst assuring Electricity North West that the site demand will decrease, deferring the need for reinforcement work within the area since average consumption is reduced and/or shifted away from the peak demand creating network capacity.

#### 2.2 Future requirements

During the RIIO-ED2 period we are seeing an increase in the requirements for flexibility and energy efficiency across our network and we're pleased to be delivering opportunities that provide so many benefits to customers, DNOs and FSPs.

Electricity North West has a 'flexibility first' approach, in that we promote flexibility as an efficient solution for network capacity provision and seek to deploy at all opportunities where it is robust and economic to do so. As a result, for every capacity requirement that can be technically released via flexibility services detailed in our Network Development Plan (NDP) we have outlined the flexibility services option alongside the asset solution and indicated whether this requirement is likely to materialise immediately, or in the next 3-5, or 5-10 years. This is to ensure there is clear signposting of all future requirements and demonstrates our approach of not foreclosing a flexibility services or energy efficiency opportunity before the market has been fully tested for a response.

Half-hourly through-year capacity balancing requirements across our EHV network can be identified using the detailed assessments supported by our <u>ATLAS</u> forecasting methodology.

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This allows us to define detailed flexibility requirements, such as number of days per month, energy requirements per day and capacity requirements per season to procure the required capacity of flexibility services only when they are needed, ensuring the efficient and economic use of customers money.

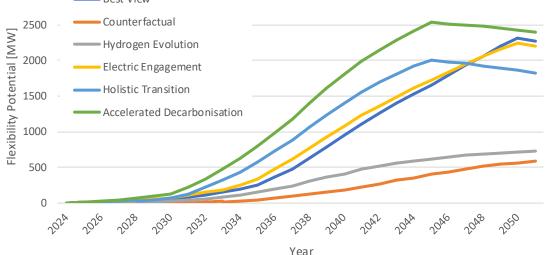
The constraints identified in the Best View scenario within the NDP are reviewed on an annual basis in alignment with the latest <u>Distribution Future Electricity Scenarios</u> (DFES).

Within the NDP we have quantified the minimum level of flexibility required using the Best View scenario up to 2050. We have also presented what levels of flexibility may be required by 2050 under the Consumer Transformation and System Transformation scenarios to highlight the range of future uncertainty.

As our current requirements are based on Best View scenario, we have included the below graph from our recently published <u>2024 DFES report</u> with the Best View scenario showing the highest certainty trend. This scenario reflects the limited role of hydrogen for domestic heating, which is expected to drive higher electrification of heating especially beyond 2030.

# Services Best View Counterfactual

Future Potential of Active Power Available for Flexibility



The actual flexibility requirements presented in a tender may be higher than that detailed in the Network Headroom Report (NHR) tables associated with the NDP as it accounts for connections pipeline uncertainty and delivery risk mitigation. The intention of the NDP is to provide the future view of flexible requirements in terms of location and baseline quantities, but future tender information will substantiate the volumes and service categorisation.

Last year (2024/25) we successfully dispatched Flexible services utilising Active Network Management (ANM) via a Remote Terminal Unit (RTU) that the customer is connected to. Generally, this will be a minimally utilised capability, as we would ordinarily not dispatch flexible services via this method preferring instead to utilise API dispatch from the <u>ElectronConnect</u> system. In the future our ANM system will interact with the <u>ElectronConnect</u> system so that ANM co-ordinates what **ElectronConnect** dispatches. The ability to dispatch via an RTU is important for sites that do not wish to expose their control systems to an API, such as critical national infrastructure sites. Proving that ANM accurately dispatches via RTU is a pre-curser to the full-scale implementation of ANM to ElectronConnect to FSPs via API.

As per our commitment to open data sharing published via our Open Data Portal, we have updated the dispatch data on the portal to reflect the flexible services dispatched.

We also anticipate further roll out of smart meters with additional monitoring at High Voltage (HV) and Low Voltage. This data coupled with aggregated smart meter data will provide increased visibility of our HV and LV networks, allowing us to better understand utilisation of the network, identify both existing and upcoming constraints and expand our opportunities for flexibility services to these lower voltage levels. With approximately 34,000 distribution substations located across the North West, it is estimated that we will have up to 200 opportunities available each year, facilitating the growth of residential flexibility and energy efficiency markets and fulfilling our obligations as a neutral market facilitator.

We will continue to act in the best interest of our customers and procure flexibility and energy efficiency where it is economic and efficient to do so. With these advancements we will be ready to meet the markets of the future.

#### 2.3 2025/26 Tenders

Our flexibility procurement processes are common across the DNOs and continue to be refined and standardised through dedicated workstreams under the Open Networks Project.

Our Spring tender will launch on 15 April 2025 and our Autumn tender will open on 27 October 2025. Prior to our Autumn tender we will conduct a review of our existing network requirements detailed within the Network Development Plan and sites that have flexibility requirements within the next 0-3 years will be issued within the tender.

#### 2.3.1 Products

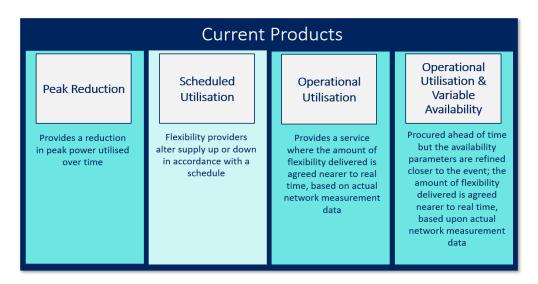
A key objective in 2024 was to further align the standardisation of flexibility product definitions to enable FSPs and other stakeholder groups to more easily identify the services they're best placed to offer, based on a more streamlined selection of products.

In our Autumn 2024 tender we introduced the Scheduled Utilisation product to deliver LV requirements. The rationale for this product was to accommodate asset owners of DERs that didn't have the ability to dispatch flexibility services on API instruction. We will continue to include this product and increase our LV requirements in our Spring 2025 tender and beyond.

An overview of each product is provided at our webinar events and a simple explanation can be found within the document library on our website. Our online guides remain live documents that are updated annually to reflect developments in this ever-evolving electricity market space.

#### 2.3.1 Products

Each Invitation to Tender that we publish on our website details the type of response (product) that is required within its specified location. Our four types of responses are: Peak Reduction, Operational Utilisation, Scheduled Utilisation, and Operational Utilisation and Variable Availability. These are industry standardised products developed through the ENA Open Networks Project in collaboration with all UK DNOs and the NESO.



**Peak reduction**: This product seeks a reduction in peak power utilised over time. This response can manage peaks in demand and could be provided by long-term energy efficiency activities.

**Use case:** This product could be used where energy efficiency measures are planned that would reduce a sites overall electricity consumption across the year but specifically during high peak periods.

**Scheduled utilisation**: In this product, the time that flexibility is delivered has been pre-agreed in advance with the provider. This product will primarily benefit FSPs that cannot respond in real-time or near to real-time.

**Use case**: This service can be used by the DNOs to manage seasonal peak demands and defer network reinforcement, for example.

Operational utilisation: This product allows for the use case where the amount of flexibility delivered is agreed nearer to real time. This can be utilised to facilitate a change in demand profile from FSPs based on network conditions close to real-time. The assets will be dispatched for the required level of service that is required based upon actual network measurement data thus managing the cost.

Use case: A DNO may utilise this product to restore network supplies following an unplanned outage.

Operational utilisation & variable availability: This product allows for DNOs and the ESO to procure a level of contracted capacity but then refine the requirements in terms of availability closer to the event. The assets will be dispatched for the required level of service that is required based upon actual network measurement data, meaning that the DNO/ESO is only paying utilisation payments based upon the actual needs of the network.

**Use case:** A DNO is planning for sufficiency of flexibility services contracts based upon long range forecasting of network constraints.

#### 2.3.2 Open Data Portal

Open and accessible data is a central theme across our commitments under our RIIO-ED2 Business Plan, the Open Networks Project and the Smart Systems and Flexibility Plan. We will publish our tender information on the company's Open Data Portal. Users of this portal are already able to access the Embedded Capacity Register and the Network Capacity Headroom Data, in a multitude of different data formats. Flexibility Services data hosted on the Open Data portal can be downloaded in a range of common industry standard forms including API, KML, CSV, JSON, Shapefile, and XLSX.

This allows users to incorporate the data into their own modelling and mapping systems and overlay other data sets they may already have, including their own asset maps. In the last year we have added over 40 new data sets to our Data Portal, ranging from connection queue data, EV and EV charger data, through to updated network demand forecast data. Further data sets are due to be incorporated into the Data Portal in the future, as these are triaged for being shared in an open format. We are keen to hear from users of the Portal if there are additional data sets or formats of data that would be helpful, particularly those relating to flexibility services.

We have developed Stakeholder Personas and videos to better address our Distribution System Operation (DSO) stakeholder's needs and facilitate understanding of various data journeys when utilising the Data Portal. These personas demonstrate examples of flexibility stakeholders and describe their behaviours, motivations, needs, the challenges they face and how they can utilise DSO data to help them in their role. They are intended to assist anyone new to the market in understanding the data that is available and how to interpret it to achieve their goals. These personas and videos are available to view on our website here.

#### 2.3.3 Invitation to Tender

Our requirements will be published twice a year in Spring and Autumn in line with the completion of our network loading analysis as described within the <u>Distribution Future Electricity Scenarios (DFES)</u> and <u>Distribution Networks Options Assessment (DNOA)</u> processes. Details for each site will be published within our Invitation to Tender appendices (detailed below), on the <u>ElectronConnect</u> platform, on our <u>website</u> and on our <u>Open Data Portal</u> including location, response type, capacity required, availability window, ceiling price and conditions precedent of each tender.

To generate confidence in the North West flexibility market space, we publish half hourly forecasts of our requirements for the next four years within Appendix 4 of our tenders. This allows us to offer longer term flexibility contracts to providers and demonstrates our commitment to transparency and market engagement. This half hourly data will be published within all future tender appendices on our latest requirements page.

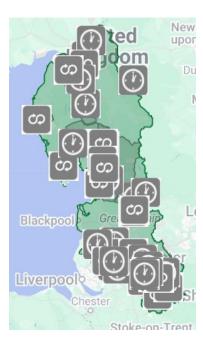
Document name	Contents
Invitation to Tender	The terms and conditions of our flexibility services procurement process
Appendix 1: Standard Flexibility Agreement	Following submission of a successful bid, the flexibility provider will enter into a contract with ENWL using the latest version of the Standard Flexibility Agreement
Appendix 2: Technical Specification	Outlines the technical requirements an asset needs to provide us with flexibility services
Appendix 3: Site Requirements	Provides details of the individual requirement zones in table format including post codes, capacity, delivery windows, response type, estimated utilisation and availability hours and ceiling price
Appendix 4: Half Hourly Data	Forecasted half hourly requirements for the next four years in excel spreadsheet format for each zone
Post Code Checker	A handy tool that allows FSPs to quickly check if their asset is located within one of our flexibility services requirement zones
Cost Calculator Tool	Participants can use this tool to calculate a bid price for utilisation and availability that falls within our budget for that zone and service period before submitting a bid

#### 2.3.4 Flexibility map

To simplify the information that we provide to stakeholders and assist them in the identification of assets within constraint zones, all of our requirements are published on an interactive flexibility map on our <u>Latest</u> <u>Requirements</u> page and on our <u>flexibility hub homepage</u>. The map on the homepage also shows indications of over 70 future requirements spanning the RIIO-ED2 and ED3 periods out to 2033. Our current requirements are represented by **navy icons** and forecasted requirements over the next five to ten years are represented by grey icons to provide more notice of future tenders.







L-R: all requirements, current requirements and future requirements.

#### 2.4 Data tables

Below is an overview of our long term forecasted requirements for the remainder of RIIO-ED2 with further details provided on the subsequent pages. We also publish <u>our Distribution Flexibility Service</u> Requirements workbook alongside this report providing further information.

2026-28 FLEXIBILITY SERVICES REQUIREMENTS*							
Location	Capacity required (MW)	No. of requirements	£ available				
Cumbria	274.15	34	4,499,107				
Lancashire	397.68	62	4,332,136				
Greater Manchester	154.79	99	3,367,893				
Totals	826.62	195	12,199,137				

<sup>\*</sup>Table does not include peak reduction as this is a duplication of the revenue and capacity for Operational Utilisation & Variable Availability.

2026-28 FLEXIBILITY SERVICES PRODUCTS AND VALUES								
Product	Sum of capacity required (MW)	Sum of ceiling price for period (£)						
Operational Utilisation	374.71	4,532,210						
Operational Utilisation & Variable Availability	449.58	7,607,284						
Scheduled Utilisation	2.33	59,642.73						
Peak Reduction	449.58	7,607,284						

AVAILABILITY WINDOWS					
Operational Utilisation	All year 24/7				
Scheduled Utilisation					
Operational Utilisation & Variable Availability	Bespoke per requirement and are provided within the data tables submitted alongside this report. These generally are Summer requirements: April-October and Winter requirements: October-March. However, it is important to note that some of the seasons				
Peak Reduction	are different to reflect the different nature of each operational region and its bespoke requirements for services.				

The tables on the following pages set out more detail on our requirements at both primary (pp13-16) and secondary (pp17 - 19) substation level and per tender period. Tender period are either by financial year ("FY", running 1 April to 31 March) or by tender period (winter (W) or summer (S))

	Operationa	al Utilisation		Utilisation & Availability	Peak Re	eduction
Substation	MW requirements	Max Estimated utilisation hrs per tender period (per annum)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)
			W25/26: 0.99	W25/26: 48	W25/26: 0.99	W25/26: 1638
			S26: 0.98	S26: 100	S26: 0.98	S26: 1830
Alston	FY26: 1.40	FY26: 100	W26/27: 1.04	W26/27: 48	W26/27: 1.04	W26/27: 1638
	FY27: 1.40	FY27: 100	S27: 1.02	S27: 100	S27: 1.02	S27: 1830
	FY28: 1.40	FY28: 100	W27/28: 1.09	W27/28: 100	W27/28: 1.09	W27/28: 1647
Ambleside, Calgarth, Mintsfeet &	N/A	N/A	W26/27: 4.48	W26/27: 48	W26/27: 4.48	W26/27: 1331
Windermere	W25/26, 2.07	W25 /26: 400	W27/28: 4.98	W27/28: 48	W27/28: 4.98	W27/28: 1824
	W25/26: 3.07	W25/26: 100	W25/26: 3.07	W25/26: 48	W25/26: 3.07	W25/26: 2114
Ardwick	W26/27: 3.74	W26/27: 100	W26/27: 3.74	W26/27: 100	W26/27: 3.74	W26/27: 2730
	W27/28: 4.41	W27/28: 100	W27/28: 4.41	W27/28: 100	W27/28: 4.41	W27/28: 2928
	FY26: 1.40	FY26: 100				
Askerton Castle	FY27: 1.40	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 1.40	FY28: 100				
	FY26: 3.50	FY26: 100				
Bentham	FY27: 3.50	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 3.50	FY28: 100	W/25/26, 22.00	W25/26: 400	W25/26, 22.00	W25/26, 4196
			W25/26: 32.00	W25/26: 400	W25/26: 32.00	W25/26: 4186
			\$26:32.00	S26: 400	S26: 32.00	S26: 4209
Blackpool Airport Enterprise Zone	N/A	N/A	W26/27: 32.00	W26/27: 400	W26/27: 32.00	W26/27: 4186
			S27: 32.00	S27: 400	S27: 32.00	S27: 4209
			W27/28: 32.00	W27/28: 400	W27/28: 32.00	W27/28: 4209
	FY26: 2.30	FY26: 100				
Bolton By Bowland	FY27: 2.30	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 2.30	FY28: 100				
			W25/26: 9.91	W25/26: 100	W25/26: 9.91	W25/26: 2912
			S26: 2.64	S26: 48	S26: 2.64	S26: 2379
Burrow Beck	W25/26: 9.91	W25/26: 100	W26/27: 11.32	W26/27: 100	W26/27: 11.32	W26/27: 3094
	W26/27: 11.32	W26/27: 100	S27: 3.74	S27:48	S27: 3.74	S27: 2562
	W27/28: 12.80	W27/28: 100	W27/28: 12.80	W27/28: 200	W27/28: 12.80	W27/28: 3111

<sup>\*</sup>All products within the tables above are requirements at the primary substation 33/HV except for Fredrick Road BSP where the requirements are on the 132/33KV substation. For the primary substation requirements these can be fulfilled by LV or HV DERs, for Fredrick Road these can be also fulfilled by 33KV DERs.

	Operational Utilisation			Utilisation & Availability	Peak Reduction	
Substation	MW requirements	Max Estimated utilisation hrs per tender period (per annum)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)
Capontree, Westlinton & Pirelli	N/A	N/A	W25/26: 3.39 W26/27: 4.34 W27/28: 5.52	W25/26: 48 W26/27: 48 W27/28: 48	W25/26: 3.39 W26/27: 4.34 W27/28: 5.52	W25/26: 1320 W26/27: 1812 W27/28: 2128
Catterall Waterworks	FY26: 7.50	FY26: 100	W25/26: 3.01 S26: 3.10 W26/27: 3.07	W25/26: 200 S26: 200 W26/27: 300	W25/26: 3.01 S26: 3.10 W26/27: 3.07	W25/26: 4186 S26: 4209 W26/27: 4186
	FY27: 7.50 FY28: 7.50	FY27: 100 FY28: 100	S27: 3.13 W27/28: 3.10	S27: 200 W27/28: 300	S27: 3.13 W27/28: 3.10	S27: 4209 W27/28: 4209
Church	FY26: 5.70 FY27: 5.70 FY28: 5.70	FY26: 100 FY27: 100 FY28: 100	N/A	N/A	N/A	N/A
Claughton	FY26: 2.90 FY27: 2.90 FY28: 2.90	FY26: 100 FY27: 100 FY28: 100	N/A	N/A	N/A	N/A
			W25/26: 0.65 S26: 0.59	W25/26: 100 S26: 48	W25/26: 0.65 S26: 0.59	W25/26: 3640 S26: 2562
Coniston	FY26: 2.10 FY27: 2.10 FY28: 2.10	FY26: 100 FY27: 100 FY28: 100	W26/27: 0.70 S27: 0.65 W27/28: 0.77	W26/27: 100 S27: 48 W27/28: 100	W26/27: 0.70 S27: 0.65 W27/28: 0.77	W26/27: 4004 S27: 2745 W27/28: 4209
Flat Lane	FY26: 4.10 FY27: 4.10 FY28: 4.10	FY26: 100 FY27: 100 FY28: 100	W25/26: 0.23 W26/27: 0.29 W27/28: 0.39	W25/26: 24 W26/27: 24 W27/28: 24	W25/26: 0.23 W26/27: 0.29 W27/28: 0.39	W25/26: 62 W26/27: 184 W27/28: 304
Frederick Rd BSP	W27/28: 30.10	W27/28: 100	W25/26: 12.20 W26/27: 23.30 W27/28: 30.10	W25/26: 48 W26/27: 48 W27/28: 48	W25/26: 12.20 W26/27: 23.30 W27/28: 30.10	W25/26: 1661 W26/27: 2114 W27/28: 2128
Gillsrow	FY26: 3.40 FY27: 3.40 FY28: 3.40	FY26: 100 FY27: 100 FY28: 100	N/A	N/A	N/A	N/A

<sup>\*</sup>All products within the tables above are requirements at the primary substation 33/HV except for Fredrick Road BSP where the requirements are on the 132/33KV substation. For the primary substation requirements these can be fulfilled by LV or HV DERs, for Fredrick Road these can be also fulfilled by 33KV DERs.

	Operationa	l Utilisation		Utilisation & Availability	Peak Re	eduction
Substation	MW requirements	Max Estimated utilisation hrs per tender period (per annum)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)
	FY26: 3.60	FY26: 100				
Helwith Bridge	FY27: 3.60	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 3.60	FY28: 100				
	FY26: 2.20	FY26: 100				
Ingleton	FY27: 2.20	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 2.20	FY28: 100				
			W25/26: 2.50	W25/26: 24	W25/26: 2.50	W25/26: 450
Knott Mill	N/A	N/A	W26/27: 2.89	W26/27: 48	W26/27: 2.89	W26/27: 600
			W27/28: 3.26	W27/28: 48	W27/28: 3.26	W27/28: 760
Longsight BSP	N/A	N/A	W27/28: 7.24	W27/28: 48	W27/28: 7.24	W27/28: 1331
	FY26: 4.70	FY26: 100				
Marple	FY27: 4.70	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 4.70	FY28: 100				
	FY26: 2.30	FY26: 100				
Melling	FY27: 2.30	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 2.30	FY28: 100				
			W25/26: 12.77	W25/26: 200	W25/26: 12.77	W25/26: 4186
	W25/26: 12.77	W25/26: 100	S26: 7.52	S26: 48	S26: 7.52	S26: 2928
Mintsfeet	W26/27: 13.08	W26/27: 100	W26/27: 13.08	W26/27: 200	W26/27: 13.08	W26/27: 4186
	S27: 7.83	S27: 100	S27: 7.83	S27: 48	S27: 7.83	S27: 3111
	W27/28: 13.45	W27/28: 100	W27/28: 13.45	W27/28: 200	W27/28: 13.45	W27/28: 4209
			W25/26: 9.95	W25/26: 48	W25/26: 9.95	W25/26: 2730
			S26: 2.70	S26: 48	S26: 2.70	S26: 2379
Morton Park & Pirelli			W26/27: 12.18	W26/27: 48	W26/27: 12.18	W26/27: 3094
	W26/27: 12.18	W26/27: 100	S27: 4.58	S27: 48	S27: 4.58	S27: 2562
	W27/28: 14.45	W27/28: 100	W27/28: 14.45	W27/28: 100	W27/28: 14.45	W27/28: 4209
			W25/26: 1.20	W25/26: 48	W25/26: 1.20	W25/26: 906
Moss Side (Longsight)	N/A	N/A	W26/27: 1.63	W26/27: 48	W26/27: 1.63	W26/27: 906
			W27/28: 2.15	W27/28: 48	W27/28: 2.15	W27/28: 1520

<sup>\*</sup>All products within the tables above are requirements at the primary substation 33/HV except for Fredrick Road BSP where the requirements are on the 132/33KV substation. For the primary substation requirements these can be fulfilled by LV or HV DERs, for Fredrick Road these can be also fulfilled by 33KV DERs.

	Operationa	l Utilisation		Utilisation & Availability	Peak Re	eduction
Substation	MW requirements	Max Estimated utilisation hrs per tender period (per annum)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)	MW requirements	Max Estimated utilisation hrs per tender period (6 months)
Newbiggin on Lune	FY26: 0.90 FY27: 0.90	FY26: 100 FY27: 100	N/A	N/A	N/A	N/A
	FY28: 0.90	FY28: 100				
	FY26: 5.30	FY26: 100				
Newby	FY27: 5.30	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 5.30	FY28: 100				
Rossall	FY26: 2.70 FY27: 2.70	FY26: 100 FY27: 100	N/A	N/A	N/A	N/A
	FY28: 2.70	FY28: 100				
	FY26: 3.70	FY26: 100				
Scarisbrick	FY27: 3.70	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 3.70	FY28: 100				
	FY26: 4.10	FY26: 100	S26: 0.51	S26: 24	S26: 0.51	S26: 1830
Sebergham	FY27: 4.10	FY27: 100	S27: 0.60	S27: 24	S27: 0.60	S27: 1830
	FY28: 4.10	FY28: 100	W27/28: 0.42	W27/28: 24	W27/28: 0.42	W27/28: 1281
s	FY26: 4.40	FY26: 100				
Sedbergh	FY27: 4.40	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 4.40	FY28: 100				
	FY26: 4.10	FY26: 100				
Settle	FY27: 4.10	FY27: 100	N/A	N/A	N/A	N/A
	FY28: 4.10	FY28: 100				
			W25/26: 0.89	W25/26: 48	W25/26: 0.89	W25/26: 2548
			S26: 0.47	S26: 48	S26: 0.47	S26: 732
Yealand	FY26: 2.90	FY26: 100	W26/27: 0.96	W26/27: 48	W26/27: 0.96	W26/27: 2548
	FY27: 2.90	FY27: 100	S27: 0.56	S27: 48	S27: 0.56	S27: 1464
	FY28: 2.90	FY28: 100	W27/28: 1.05	W27/28: 48	W27/28: 1.05	W27/28: 2745
Grand Total	374.71	5500	449.58	6700	449.58	149,236

<sup>\*</sup>All products within the tables above are requirements at the primary substation 33/HV except for Fredrick Road BSP where the requirements are on the 132/33KV substation. For the primary substation requirements these can be fulfilled by LV or HV DERs, for Fredrick Road these can be also fulfilled by 33KV DERs.

#### **Scheduled Utilisation / Peak Reduction** 660 ALDER RD 0.0386 660 ANDREW ST 0.0374 660 ARMISTEAD ST 0.0701 660 ASH GR 0.0317 660 ASHFORD WALK 0.01 660 BACK BULLER ST 0.0115 660 BACK ROCHDALE RD 0.0861 660 BACK YATES ST 0.0454 660 BARLEY HALL 0.0389 660 BARTON GRANGE 0.0112 660 BERWICK AVE 0.0295 660 BK MANCHESTER RD 0.0432 660 BOLEFOOT 0.0155 660 **BORRON RD** 0.0271 660 BRANDLESHOLME RD N 0.0126 660 BROOK TERR 0.0352 660 CARLTON AVE 0.1277 660 CARLTON ST 0.0624 660 CHURCH HILL 0.0248 660 CLIFTON ARMS(BLACKPOOL) 0.0303 660 COMMON EDGE STH 0.0463 660 CORONATION DR 0.04 660 DALTON RD MORECAMBE 0.0259 660 DORSET ST 0.0464 660 ENNERDALE RD 0.0145 660 0.0285 ESK ST 660 FALMOUTH CRES 0.0529 660 FAR MOOR 0.0304 660 GIRLS GRAMMAR SCHOOL 0.0314

<sup>\*</sup>All products within the tables above are requirements at the secondary substation. These requirements can be fulfilled by LV DERs or LV customers.

#### **Scheduled Utilisation / Peak Reduction** 660 GLENMOOR RD 0.01 660 GOLDSMITH RD 0.0286 660 GRAYSON FLATS 0.01 660 HAWTHORNE AVE 0.0445 660 HOPE CARR RD 0.0192 660 **HUNTERS RD** 0.0271 660 ILFORD ST 0.0566 660 INCLINE RD 0.0547 660 JOHNS AVE 0.05 660 KERSHAW ST 0.0429 660 KINGSTON AVE 0.0421 660 LANCASTER LN W 0.0146 660 LINCOLN CL 0.0221 660 LYONS FOLD 0.0253 660 MANCHESTER RD 0.0734 660 MEADOWAY 0.0253 660 MELROSE AVE 0.0168 660 MOOR RD 0.0215 660 MOORGATE 0.0132 660 MORETON MILL 0.0325 660 MOSS LN SWINTON 0.028 660 NORTH AVE 0.0102 660 OLD OAK 0.0309 660 QUEENS PK RD 0.0188 660 RIDGEWAY 0.0278 660 SCOTT DR 0.0104 660 SPENDMORE LN W 0.0447 660 ST GEORGES ST 0.075 660 STATION RD BLACKROD 0.0234

<sup>\*</sup>All products within the tables above are requirements at the secondary substation. These requirements can be fulfilled by LV DERs or LV customers.

	Scheduled Utilisation / Peak Reduction				
Substation	MW requirements	Utilisation hrs per tender period (per annum)			
SYCAMORE EST	0.0709	660			
THORNHILL	0.0326	660			
UNION BRIDGE	0.0267	660			
UNION RD	0.0164	660			
VICTORIA ST	0.0781	660			
WASH BROW	0.038	660			
WEDDICAR GDN	0.0227	660			
WESTWOOD LN	0.0227	660			
WORDSWORTH RD	0.0154				
Grand Total	2.33 44,220				

<sup>\*</sup>All products within the tables above are requirements at the secondary substation. These requirements can be fulfilled by LV DERs or LV customers.

#### 2.5 Dispatch of flexibility services

#### 2.5.1 Dispatch platform

In line with the commitments we made in our RIIO-ED2 business plan, in Spring 2023 we tendered for platform services covering: Procurement, availability declaration, scheduling, baselining, dispatch and settlement. In March 2024, we successfully contracted with <u>ElectronConnect</u> to serve as our core market platform where procurement, availability declaration, scheduling, baselining, dispatch and settlement will take place. In January and February 2025, we have successfully proved the ability to dispatch flexibility via API through the <u>ElectronConnect</u> platform.

We intend to deliver all aspects of our 2025/26 bi-annual tenders through the ElectronConnect platform.

#### 2.5.2 Dispatch and settlement processes

We have now completed the testing of our Active Network Management system (ANM) and have moved to deploying it to manage network constraints. This system automates a number of system control functions providing our operations teams the capabilities to increase the signalling of control decisions to distributed energy resources (DERs). A key feature of this system is the automated dispatch of flexibility services, increasing the utilisation of these assets and, in future, increasing the range of network constraints that flexibility services can help to resolve.

We recently updated our <u>Operational Decision Making</u> <u>Framework</u> which explains our decision making process for the utilisation of flexibility services. This document also provides more details about our ANM system and its benefits.

The 2024 ENA Open Networks Settlement Technical Working Group (TWG) has made significant strides towards standardising the settlement processes for flexibility services across DNOs. The group's primary goal is to ensure that FSPs experience a consistent and predictable settlement process regardless of the DNO they operate with. The primary aim of the Settlement TWG is to create standard equations for Availability and Utilisation payments, applicable across all flexibility products defined by the Flexibility Products TWG. The five core focus areas of the Settlement TWG that we will deliver in 2025/26 are:

- Standard payment mechanics
- Standard metering specifications and standards
- Defined settlement parameters
- Standard settlement processes
- · Supported contract service term wording

The efforts of the Settlement TWG represent a significant step towards a more streamlined and efficient energy market, fostering a robust and integrated energy system that benefits service providers, platform providers and network operators.

This standardisation will simplify the settlement process and provide consistency for FSPs.

#### 2.5.3 Baselining

As part of our work with the Open Networks Project we developed a range of standardised <u>baselining</u> <u>methodologies</u> which can be used across the industry when measuring and settling flexibility services dispatch contracts. We encourage participants within our tenders to engage with us regarding the baselining methodology which represents the best solution for their site's asset type and the level of data they are able to provide of historical and future usage patterns.

The supported baselines are:

- Mid 8-in-10: A rolling historical baseline which uses data from the "middle" of the last 8 of 10 days.
- Mid 8-in-10 with Same Day Adjustment: A rolling historical baseline which uses data from the "middle" of the last 8 of 10 days but also applies a "same day adjustment".
- Mid X-in-Y: A custom rolling historical baseline, where the user can choose how many days to consider and what length of same day adjustment to use.
- Nominated: A nominated baseline, which allows the user to input the self-declared baseline of the asset in advance of the flexibility dispatch event.
- Zero: A baseline which assumes that the asset is not operating except for when providing a flexible service.

An industry standard <u>baselining tool</u> and <u>user guide</u> has also been produced to allow participants to verify their baselines, delivering transparency into how baselines are calculated by DNOs. We will continue to contribute and develop our baselining methodology in line and in collaboration with the ENA Technical Working Groups and <u>Elexon</u>.

#### 3. TENDERING PROCESS

#### 3.1 Tendering platform

This year we will be utilising one single platform <u>ElectronConnect</u> to host and execute on our market requirements. The intention is to deliver a single source of truth and multi faceted functionality to FSPs.

We believe that removing complexity will deliver the best possible experience to our FSPs and ultimately contribute to both the participation and performance of our bi-annual tenders. By providing more focus on a single platform, we are demonstrating our commitment to creating a more efficient and seamless experience for FSPs.

<u>ElectronConnect</u> will serve as our core market platform offering an end-to-end solution for providers to participate; from onboarding through to dispatch and settlement. Further enhancements will be explored and tested throughout the 2025/26 regulatory year.

In March 2025 we will cease to use Piclo Max, following a successful delivery of our flexibility services through the ElectronConnect platform.

However, we will continue to explore additional options that can provide market access and awareness of our flexibility tenders.

Through ongoing collaboration with <u>ElectronConnect</u> we will adopt a continuous improvement approach throughout 2025 to identify and remove barriers to participation and increase visibility and awareness of our flexibility services and the <u>ElectronConnect</u> platform.

Complimentary one-to-one discussions are available for potential providers to ask specific questions of the team and for assistance in obtaining and understanding the information required to successfully participate. These sessions are available to book on our website.

We will continue to ensure that all future opportunities remain open for all to participate in and to help customers understand the methodologies and criteria that are used to procure, dispatch and settle flexibility services and energy efficiency programmes.

#### 3.2 Spring 2025 procurement timeline



#### 3.3 Autumn 2025 procurement timeline



#### 3. TENDERING PROCESS

#### 3.4 Criteria for participation

To participate in Electricity North West's flexibility services, a flexibility provider will need to meet the following high-level conditions:

#### a) The Flexible Resource must:

Either be already connected to the network location being supported; providers should use the highlighted area on the maps provided on our website, or on the <u>ElectronConnect</u> platform as an indication of whether the resource is in the right geographic location,

Or

Be able to locate (i.e. install, commission, and deliver) the Flexible Resource in the locality of the network asset being supported 1 month prior to the delivery start date.

- b) The minimum size for directly contracted resources should be at least 10kW. There are no restrictions on the size of sub-sites of aggregated portfolios, but the total portfolio size also needs to be at least 10kW (flexibility capability and not capacity).
- c) The provider should be able to deliver and manage, at ENWL's request, a net reduction in the demand or an increase in the export, as seen by the distribution network through flexibility or energy efficiency
- d) The Flexible Resource should have the ability to act (i.e. provide a response) reliably and consistently, in both magnitude and duration, throughout the contracted windows.
- e) Generators and electrical storage, greater than 16A per phase, looking to export to the network will need to have a long-term parallel connection and be compliant with the requirements of EREC G59 or EREC G99.
- f) The provider/Flexible Resource should be able to deliver the service by the specified delivery start date

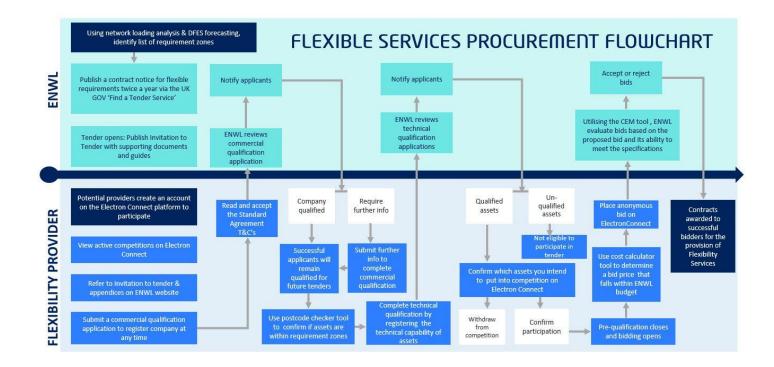
Participants are required to complete Technical Qualification on <u>ElectronConnect</u> prior to the opening of the bidding window to allow us to confirm the prospective asset(s) are technically compliant with these requirements.

#### 3. TENDERING PROCESS

#### 3.5 Procurement process

To participate in our flexibility tenders, FSPs will need to complete the following steps on <u>ElectronConnect</u>:

- 1. Create an account on ElectronConnect
- 2. Commercially qualify to participate in ENWL's tenders on ElectronConnect
- 3. Register and upload assets on <u>ElectronConnect</u> these will be marked as 'ineligible' until our competition opens. Potential providers can upload both planned and operational on the platform to assist in the identification of assets within constraint zones
- 4. Confirm which assets they wish to put forward for participation on <u>ElectronConnect</u>. These assets will be technically assessed by ENWL to ensure they meet the technical requirements of the tender.
- 5. The status of successful assets will then change to 'eligible', and the FSP will be able to submit a bid for the provision of flexibility services on <u>ElectronConnect</u>.



### **3 TENDERING PROCESS**

#### 3.6 Signposting

To ensure visibility and accessibility to our tenders, we signpost our requirements via:

- Our website
- ElectronConnect platform
- Open Data Portal
- Our flexibility services mailing list
- Our bi-annual DSO Functions webinars
- The ENA flexibility in Great Britain webpage
- Press releases
- ENWL social media channels
- Connections Engagement, Stakeholder and Community Energy newsletters and events
- Network Development Plan (NDP)
- Directly to customers with assets in requirement zones
- In-person events: Joint events, industry events and our new DSO Roadshow events
- 1-2-1 flexibility services discussions

#### 3.7 Pricing strategy

We currently operate a pay-as-bid pricing strategy for our flexibility tenders. We utilise the Common Evaluation Methodology and Tool (CEM) to determine the guide price for the competition zone at the tender stage; meaning that we will issue in the tender materials the price above which the use of flexibility or energy efficiency is deemed uneconomic. This encourages bidders to submit competitive prices and ensures consistency with our evaluation process whilst continuing to drive competition in the market. These prices are based on the annual deferral fee and will be subject to full evaluation post bid assessment. These prices for each requirement are published within Appendix 3: Site Requirements as part of our suite of tender documentation on our website, in addition to being published on our interactive flexibility map.

#### 3.8 Bidding

In the pre-qualification stage of the procurement process we assess the applications received and identify

bidders that meet the specified requirements in section 3.4. Only bidders that fulfil the requirements will be eligible to submit bids in the two-week bidding window. Bids will be submitted, and bidders notified of the outcome via Electron Connect.

During the assessment period, we may hold a Post Quotation Negotiation or Best and Final Offer meeting with successful bidders. Bids will be assessed using the standardised Common Evaluation Methodology Tool as detailed in section 5 below. Prices above the guide price provided may be accepted if bids are submitted for multiple years following full evaluation. We also share summary details with our DSO Stakeholder Panel to provide full transparency.

#### 3.9 Contracts

We have deployed Version 3 of the Standard Flexibility Agreement and will continue to adopt any subsequent updated versions, created in collaboration with all Great Britain DNOs, National Electricity System Operator (NESO) and stakeholders. This consistent approach boosts market confidence and facilitates participation in flexibility markets; having a common agreement simplifies the standard contract, reduces jargon and ensures clear and consistent terminology. The terms of the contract are made publicly available on our website throughout the year and are issued as part of our Invitation to Tender (ITT) documentation. The latest version (Version 3) of the agreement is available to view within our document <u>library.</u> In line with the rest of the DNOs, we will continue to utilise Version 3 of the agreement for our upcoming tenders, and we will continue to be part of any work to amend the standard agreement through the ENA Open Networks working group or <u>Elexon</u>, the newly appointed Neutral Market Facilitator.

The results of our tenders are communicated to our stakeholders directly via our distribution list and published on our website on the <u>'Previous requirements'</u> page. This to provides clarity on the bids which are accepted and rejected, as well as showing the contract lengths and the bid price accepted. This information delivers transparency in the procurement process as well as giving future market participants an insight into the potential values of revenue they could expect to achieve by participating.

#### 4.1 Flexibility market information

#### 4.1.1 Newsletters

We provide regular, consistent and transparent reporting by issuing quarterly newsletters to our distribution list and providing updates on future requirements, consultations, results of our tenders and upcoming events. We keep a <u>newsletter archive</u> on our website so that stakeholders can follow our journey and keep up to date with any new opportunities in our area. To reach wider audiences, we also include flexibility services updates in Electricity North West's Stakeholder Engagement, Community and Local Energy, Innovation and Connections Engagement newsletters, and promote our distribution list, upcoming tenders, events and flexibility services updates across our social media channels. Stakeholders can sign up to receive our newsletters on our website.

#### 4.1.2 Webinars

Our original online flexibility workshops have evolved to incorporate updates from the wider DSO team to deliver a series of DSO Functions webinars focusing on different elements of DSO including forecasting data, publications, net zero and flexibility services. These interactive online events are held bi-annually in Spring and Autumn following the publication of our latest requirements to present an overview of our procurement processes and provide guidance on the platforms utilised in the process to ensure that our stakeholders are provided with the necessary tools to submit a tender response. We welcome questions and feedback from attendees on their experiences of providing flexibility services. Stakeholders can view and sign up up to receive future event invitations here.

#### 4.1.3 In-person events

Following stakeholder feedback we will continue to evolve the format and content of our webinars and inperson events. We will develop a range of bespoke engagement events in collaboration with <a href="ElectronConnect">ElectronConnect</a> and FSPs from across the country to understand their needs and how we can further increase participation in our bi-annual tenders. In addition to this we will be launching our Social DSO strategy to regional stakeholders, to gather feedback and capture ideas that will assist with the formulation our overall DSO strategy and engagement activities.

These in-person workshops are designed to obtain insights and Flexibility Service Provider intelligence which helps inform our strategy and processes

This year we look forward to hosting more in-person events, meeting with key stakeholders to hear about their experiences to collectively influence the future of flexibility markets in Great Britain.

The presentation slides and full event roundups including feedback and slide packs from previous events can be found on our <u>Flexibility engagement page</u> and will be updated throughout the year following subsequent events.

#### 4.1.4 Consultations

We strive to make the process of providing flexibility to the network as simple and seamless as possible for both local and national players by helping to remove barriers to participation and encouraging growth in the UK flexibility market space. We run flexibility consultations to capture our stakeholders' feedback on how we can help to remove any barriers to entry into our flexibility markets and how we should shape these markets of the future to best suit everyone's needs. We also contribute to industry wide consultations led by organisations such as ENA and Ofgem and include links to these in our communication activities to improve visibility and response rate. We consider all feedback received from these consultations and incorporate it where possible into our future plans.

Our previous consultation documents, webinar recordings and response summaries which provide an overview of main responses received and our plans for taking it forward can be found on <u>our website</u>.

# Open and accessible data is a central theme across our RIIO-ED2 Business Plan

Open and accessible data is a central theme across our commitments under our RIIO-ED2 Business Plan, the Open Networks Project and the Smart Systems and Flexibility Plan.

We anticipate that these consultations will help develop lasting relationships and deliver ongoing mutual benefit to the market and efficient use of Electricity North West's distribution network. Feedback received through our consultations is invaluable to the development of our processes and to ensure that flexibility services remain open and accessible for all to participate in

#### 4.1.5 Forums

To ensure we are delivering the enhanced DSO functionality which is at the heart of a smart and flexible distribution network able to evolve to the changing ways customers produce and consume energy, we host bimonthly DSO Discussions. These are online forums where topics relating to market development, planning and network development, and network operation are discussed and evaluated in a more informal atmosphere to stimulate conversations and feedback from industry stakeholders. Each session will focus on a different topic relating to DSO and are available to book via our events page.

#### 4.2 Industry engagement

As an active participant of the <u>(ENA) Open Networks Project</u>, we co-ordinate with the other UK DNOs and IDNOs, <u>Elexon</u>, the National Electricity System Operator (NESO), the Department for Energy Security and Net Zero (DESNZ), the energy regulator Ofgem and the Transmission System Operators (TSOs) to identify good practice and standardise the process of providing flexibility services to the grid to create a streamlined customer experience.

As the ENA Open Network Project consults with stakeholders widely on the scope of its work and has regular engagement with its Dissemination Forum and Challenge Group which contains stakeholders from across the energy industry, we are confident that the outputs are welcomed across the electricity and gas sectors.

We will continue to coordinate our approach to procuring flexibility alongside other DNOs as we implement interoperable platforms and continue developing standardised

processes to reflect the priorities of our stakeholders and the industry. Following publication of <a href="the Smart Systems">the Smart Systems</a> and <a href="Flexibility Plan">Flexibility Plan</a> in 2021, our plans throughout 2025 continue to respond to the need for standardisation in addition to NESO and DSO coordination, ensuring that we continue working collaboratively and in line with these expectations.

A key objective of the Open Networks Project for 2025/26 is to improve the standardisation of flexibility product definitions to enable FSPs to more easily identify the services they're best placed to offer, based on a more streamlined selection of products. The aim of this objective is to have at least 80% of flexibility tendered through common products within 2025. Full details of the work products and intended deliverables for this year can be found on the <a href="Open Networks Website">Open Networks Website</a>.

We are also supporting the transition of <u>Energy Networks</u> <u>Association's (ENA) Open Networks Project</u> to the recently appointed Market Facilitator<u>Elexon</u>.



#### 4.3 Network user and customer engagement

Throughout the second half of 2024 we delivered targeted engagement with strategic partners to build capacity to better directly and indirectly promote flexibility services to the North West population, so that in 2025/26 we can encourage more FSPs to join our tenders and provide flexibility services.

In Spring 2025 we will be launching our Social DSO strategy which will focus upon delivering benefits to a broad range of regional stakeholders.

As part of the programme our DSO team will be continuing targeted bespoke engagement with a range of stakeholders and consumer profiles across the region with a view to promoting and executing flexibility services opportunities. A key tenet of this strategy will be centred upon ensuring that we deliver value for all consumer profiles including domestic, commercial and community energy projects.

#### Key activities include:

- identifying key strategic partners who can help create awareness of our bi-annual flexibility tenders and ultimately drive participation in flexibility procurement. We are currently working with Green Economy, Bee Net Zero and are at the early stages of formulating a partnership with the National Trust. Green Economy and Bee Net Zero will be targeting commercial entities in Greater Manchester whilst our National Trust partnership will be leveraging hydro assets in and around Cumbria and the Lake District region.
- we have already begun collaborative marketing campaigns and press releases that will advertise our tender requirements and provide an additional layer of outreach to businesses that have flexible assets and/or who want to invest in and deploy low carbon technologies. By specifically targeting engagement in our future requirements zones we are seeking to increase the number of flexible assets that can participate in our flexible tenders
- engaging with large commercial energy consumers that operate in our current constraint management zones. Part of this engagement has involved building awareness of our flexibility requirements and quantifying the economic and environmental benefits of participation in our tenders. The targets of this engagement are energy intensive consumers who are contributing to the capacity constraints on the network but also possess the capability to deliver demand side response
- hosting dedicated in person FSP workshop events that will provide an opportunity for FSPs to engage directly
  with our flexibility services and forecasting teams. The objective of these workshops will be to create
  awareness and exposure to our flexibility requirements, it is intended that with close collaboration we can
  identify and execute flexibility opportunities that will be better aligned to FSP capabilities and our network
  needs
- continuing the existing engagement we have with Local Authorities to co-create and co-deliver bespoke strategies to support them to better understand their commercial portfolios. The focus will be around delivering energy efficiency, deployment of low carbon technologies and releasing spare capacity held within their portfolios. We will also be leveraging existing workstreams around Local Area Energy Planning (LAEP) and will look to explore flexibility procurement in new residential housing developments and education facilities, and
- maximising the societal benefit of our DSO activities by delivering a 'Green Bank Fund' which will incentivise flexibility services participants to contribute to a centralised fund that will deliver community energy projects ranging from EV charging hubs to localised battery storage that can support low income, vulnerable and rural customers with delivering clean power whilst providing balancing services to our network.

### 4.4 Planned engagement activities 2025/26

Planned ENWL engagement activities to be held throughout the year	
In-person events	We hold in-person events alongside our wider DSO team as well as collaborating with DNOs and industry organisations such as Flex Assure and Electron
Targeted customer engagement	Direct engagement with Local Authorities, Housing Associations, Industrial and Commercial entities, Customers and Community groups within the identified constraint zones
DSO Discussions	Bi-monthly DSO forum covering topics such as Heatmaps, Flexibility Services, Open Data Portal and ANM
DSO Functions webinars	Bi-annual DSO Functions webinar to present new flexibility requirements and a range of topics from the wider DSO Team
DSO Stakeholder Panel	Regular engagement with our external advisory panel with external chair
Quarterly newsletter	ENWL flexibility services newsletter issued every quarter to promote our latest requirements, tender results, updates, events and publications

All events will be promoted via our newsletter and social media channels, and available to register via our website.

#### **Industry** events

We also plan to attend and participate in a wide range of industry events held across the country including:

- National Grid Power Responsive event
- Energy Innovation Summit
- GMCA Green Summit
- ENA Open Networks consultations
- Distributed Energy Show

- Utility Week
- Northern Sustainability Summit
- Cumbria Tourism events
- · Westmorland County Show
- Chamber of Commerce events

### 5 DETAILED QUANTITATIVE ASSESSMENT

Since January 2022 we have been utilising the <u>Common Evaluation Methodology (CEM) and Tool</u> (which can be found in the "helpful guides" section) to determine the most suitable solution to meet network needs; comparing traditional asset reinforcement to procuring flexibility Services, flexible connections, energy efficiency measures and Active Network Management (ANM) solutions.

The CEM tool evaluates solution options comparing network capacity and network losses over the range of DFES scenarios to identify the most cost-effective solution and proposes the optimum contract length. Based on the format of the Ofgem CBA for RIIO-ED1, the CEM tool is closely related to Electricity North West's Real Options Cost Benefit Analysis (ROCBA) methodology developed for evaluating the flexibility products against network intervention. This standardised industry approach provides greater visibility and confidence amongst FSPs and helps stimulate volumes and competition in the market, ultimately reducing costs for network customers.

To facilitate and speed up the assessment process of multiple investment strategies across a wider range of future network forecasts, in our ED2 business plan we committed to further develop the capabilities of the ROCBA tool to maintain its position as a state-of-the-art decision support tool across all network investment strategies.

In autumn 2024, we successfully re-platformed the ROCBA tool to Python and automated and expanded its original functionalities.

The new enhanced script-based ROCBA tool implementation follows an object-oriented structure. This architecture enhances the tool's scalability and flexibility across both macro and micro scenarios, as a theoretically unlimited number of interventions, strategies and sites can be simulated under multiple future scenarios. As the CEM is a 'cutdown' version of the ROCBA tool for flexibility services procurement evaluations, the re-platforming of ROCBA resulted in an enhanced re-platformed automated version of the CEM tool as a 'by-product', which also has the ability to run multiple micro-scenarios.

Limitations on the number of interventions and scenarios have been removed, but importantly this allows us to automate the evaluation of flexibility service and conventional reinforcement options using the CEM tool to better support our operational decision making.

To demonstrate our commitment to procuring flexibility in an open and transparent manner, we will publish a high-level summary table on our <u>Latest Requirements</u> page following each tender round, along with a more detailed analysis of the valuations for each requirement zone. Further information describing this methodology is available to view via the Flexibility Valuation link on our website. An archive of our previous tenders including full requirement details and results is also available to view on our <u>Previous Requirements</u> page.

#### 6 CONTACT US

Our approach to procuring flexibility will continue to evolve in line with best practice as identified by the industry and through stakeholder engagement. This year we look forward to building upon the improvements we have made to reduce barriers to participation, facilitating the developments of markets and enhancing visibility and transparency of information relating to flexibility.

If you have any comments or questions relating to this statement or the process of providing flexibility services to the network, please get in touch with our team at <a href="mailto:Flexible.contracts@enwl.co.uk">Flexible.contracts@enwl.co.uk</a>.

# 7 Resource library

In addition to our Invitation to Tender documents we also have a suite of helpful guides, event materials, reports and forecasting data available on our website and via the links below. Please note that our guidance notes will be updated throughout 2025 as we introduce changes to our procurement process, products and technical requirements.

Guidance documents		
The below documents can be found in the helpful guides section of our document library		
A guide to flexibility services	A simple introductory guide for anyone new to flexibility services	
Procurement process	Our flexibility procurement process including how to take part on Electron Connect, our ITT documents and how to use our interactive flexibility map	
Summary of service requirements	Provides a detailed breakdown of our Invitation to Tender, Appendix 3: Site requirements table	
Products and response times	An overview of the four flexibility products we procure and their service parameters	
Decision making criteria	Explains how we assess bids received based on the conditions precedent, specification and cost	
Common Evaluation Methodology (CEM) and Tool	The latest version of the standardised tool utilised by all GB DNOs to calculate ceiling prices for each requirement zone	

Engagement		
The below resources can be found on our flexibility services engagement page		
Engagement document library	Previously held event recordings, presentations and summaries and newsletter archive	
Sign up to our mailing list	Sign up to be the first to hear about our latest requirements and flexibility events	
Request a one-to-one discussion	We host complimentary discussions to guide stakeholders through the process of providing flexibility services to the network	
Upcoming events	View our upcoming flexibility events and register your place	

Reports and publications	
Distribution Flexibility Procurement reporting	Our suite of publications relating to Ofgem's Electricity Distribution Standard Licence Condition 31E: Procurement and use of Distribution flexibility services includes our statement, report, consultation and webinar recording
Tender results	All details of our requirements from 2018 including Invitation to Tender documents, results and Expressions of Interest
ENWL Business Plan 2023-28	This plan sets out our commitment to Net Zero, innovation and efficiency for the RIIO-ED2 Period

# 8 USEFUL LINKS

DSO data	
Open Data Portal	Our flexibility requirements are available to view on our new Open Data Portal and can be downloaded in a range of common industry standard formats including API, KML, CSV, JSON, Shapefile and XLSX
<u>Distribution Future Electricity</u> <u>Scenarios Report (DFES)</u>	Presents well informed future trends across the North West for the electrification of transport & heating, the penetration of local distributed generation & storage, the future effects of hydrogen & how all these drive demand growth that our future network needs to supply
Network Development Plan (NDP)	Part of the Clean Energy Package, this annual report details future distribution network requirements for 1-10 years beyond publication
Long Term Development Statement (LTDS)	Details future distribution network requirements for the next five years, allowing existing and potential customers to make an initial assessment of the capabilities of the electricity network and opportunities for changes in their use of the network or for connecting to it
Operation Decision Making Framework	Optimising distribution with automation, flexibility, and informed decisions

Industry links	
Electron Connect	Our core market platform for flexibility services. Providers can use this platform for commercial and technical qualification, placing bids, dispatch and settlement. It is an end-to-end platform
Elexon	Elexon is a private not-for-profit organisation that oversees the processes that settle payments between generators, suppliers and traders of energy in the UK and have become the Market Facilitator
Flex Assure	A code of conduct and compliance scheme defining and enforcing minimum standards of practice to provide assurance for business energy users of the standard of service they will receive from businesses signed up to the scheme
<u>Ofgem</u>	The website of the energy regulator for Great Britain
National Energy Systems Operator (NESO)	The website of the electricity system operator for Great Britain
Energy Networks Association (ENA)	The website of the industry body that representing energy network operators in the UK and Ireland
<u>Department for Energy Security</u> <u>and Net Zero</u>	The Business, Energy and Industrial Strategy (BEIS) Department was reformed into the Energy Security and Net Zero Department in February 2023

# 9 GLOSSARY

Term	Definition
Active Network Management (ANM)	The use of distributed control systems to continually monitor network limits, along with systems that provide signals to DER to modify outputs in line with these limits
Aggregators	Third party intermediaries specialising in coordinating or aggregating demand response from individual consumers to better meet industry parties' technical requirements for specific routes to market
Baseline	The point from which any delivery of flexibility is measured
Common Evaluation Methodology and Tool (CEM)	Standardised tool allowing DNOs to compare the cost of flexibility or other solutions e.g. energy efficiency against traditional network reinforcement
Demand Side Response (DSR)	Demand side Response (DSR) refers to the ability of sources of demand (for example, an industrial process) to increase or decrease their net demand in response to signals (sometimes price-signal) to support system or network management
Distributed Energy Resource (DER)	Small-scale power generation and storage such as solar, wind and electric vehicles that operate locally and are connected to a larger power grid at the distribution level
Distribution Network Operator (DNO)	The owner and operator of a distribution network licensed by the Gas and Electricity Markets Authority
Distribution System Operation (DSO)	DSO balances capacity on the distribution network to enable new connections and meet the requirements of existing customers using flexible distributed energy resources, network investment and commercial services ensuring security and quality of supply standards are delivered
Elexon	Elexon is a private not-for-profit organisation that oversees the processes that settle payments between generators, suppliers and traders of energy in the UK and have become the Market Facilitator
Energy Networks Association (ENA)	The ENA is the industry body funded by UK gas and electricity transmission and distribution licence holders
ENA Open Networks Project	Brings together the nine electricity grid operators in the UK and Ireland to work together to standardise customer experiences and align processes to make connecting to the networks as easy as possible and bring record amounts of renewable DERs to the local electricity grid

# **8 GLOSSARY**

Term	Definition
Extra High Voltage (EHV)	Voltages greater than 22kV in Electricity North West's distribution network
Flexibility Market	The arena of commercial dealings between buyers and sellers of flexibility services
Flexibility Services Provider (FSP)	The owner and/or operator of assets that have the capability to provide flexibility services and wishes to make available each Site for the provision of such flexibility services, for example through aggregated or individual assets. ENWL will pay the Provider for these flexibility services in accordance with service delivery agreements
Flexible Resource	Resources like generators, consumers, and electricity storage connected to the distribution network
Flexibility Services	DERs connected to our networks can increase exports (generate more) or alter imports (demand turn down and demand turn up) when instructed by the network and receive payment in return
High Voltage (HV)	The voltages of 6.6kV or 11kV in Electricity North West's distribution network
Low Voltage (LV)	The voltages of 400V / 230V in Electricity North West's distribution network
National Energy System Operator (NESO)	National Energy System Operator - the UK's new publicly owned energy body, launched on 1st October 2024, independent from government control but still overseen by regulator Ofgem. NESO will be responsible for managing the planning and design of electricity and gas networks across the Great Britain. The NESO will additionally be required to balance three objectives: achieving net zero, ensuring security of supply, and ensuring efficiency and economy.
Network Management System (NMS)	A system that allows us to manage the energy in the North West in real time, operating as a smart network allowing supply to meet demand. It facilitates our ability to provide future generations with a low carbon, sustainable and reliable electricity network throughout the region
Neutral Market Facilitator (NMF)	A transparent, neutral market for flexibility services, providing attractive opportunities for customers of all scales to respond to requests for flexibility, allowing existing and new renewables to be fully utilised
Real Options Cost Benefit Analysis (ROCBA)	An investment evaluation method that combines the principles of Real Options Analysis (ROA) and traditional Cost Benefit Analysis (CBA). This approach values flexibility and strategic decision-making in uncertain environments, allowing businesses to adapt, expand, or abandon projects based on evolving circumstances
Transmission System Operator (TSO)	TSOs own, operate and maintain the transmission networks. There are three licensed TSOs in Britain, and each is responsible for a regional transmission services area