Flexibility Strategy

2025

Foreword

I am delighted we are publishing our refreshed flexibility strategy. Your feedback has guided us to produce this document, you've asked us to clarify how, why, and when we leverage flexibility within our distribution network. This document is set up to do just this and explain how flexibility is helping us contribute to a fair, net zero North West.

Flexibility plays a crucial role in daily network balancing, achieved through collaboration with stakeholders and utilisation of our network assets. In recent years, we have worked diligently to establish systems that foster an inclusive and efficient flexibility marketplace. This enables us to manage our network cost-effectively, ensuring value for consumers and helping us deliver our Social DSO ambitions.

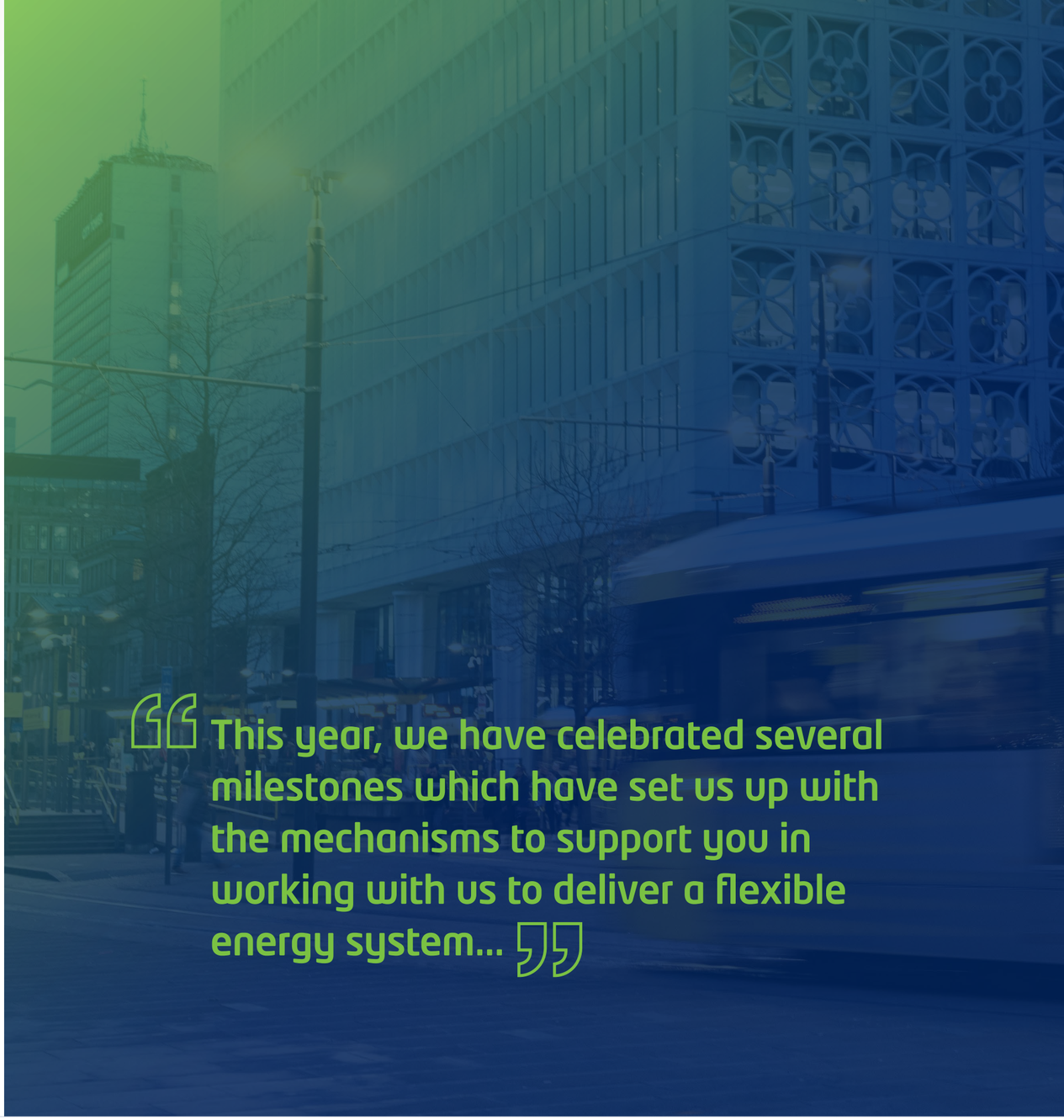
This year, we have celebrated several milestones which have set us up with the mechanisms to support you in working with us to deliver a flexible energy system:

- The launch of our market platform and Active Network Management, giving us the ability to dispatch flexibility optimally across our network.
- Extensive engagement with stakeholders, incorporating your feedback to streamline processes across all flexibility types.
- Industry-wide collaboration, sharing data and insights to drive holistic improvements in flexibility across the energy system.
- Support for community and local energy and the allocation of £83,658 to six projects to support community level action through our Powering our Communities fund.

With these mechanisms deployed and tested, we want to get more of you involved in flexibility, so we can continue to drive down consumer costs, accelerate connections, enable a greener electricity mix and provide you with opportunities for new revenue streams.

This strategy outlines our achievements to date on our flexibility journey, informed by your needs, and invites you to participate in shaping our future initiatives. We value your feedback, which can be shared via our email: flexible.contracts@enwl.co.uk

Ben Grunfeld
Strategy and Growth Director



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About ENWL: Our role, flexibility, and purpose of this document

We operate the distribution electricity network in the North West, transporting electricity to 2.4 million homes and businesses

Electricity North West is one of 14 distribution network operators in the UK regulated by Ofgem. We operate the local electricity network and distribute electricity, mainly from the National Grid, 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 and more than 44,000 km of underground electricity cables and much more.

Our network in the North West is one of the most reliable in the country and by the end of our current regulatory period, we will have invested £1.9bn in our network to ensure we continue to deliver an excellent, **safe** and **affordable** service to all our customers.

As part of our DSO role, we are contributing to facilitating net zero

As the North West's electricity distribution network operator, it is essential that we facilitate the decarbonisation of transport, heat, and our energy system, at the **lowest cost to our customers** while maintaining high levels of network reliability.

Distribution System Operation (DSO) is providing the systems and processes needed to transition and operate energy networks in the net zero carbon future through three core functions. An overarching objective is transparent use and sharing of Data and Information.

This document is designed to give flexibility stakeholders a view of what we do and how they can be involved

This document aims to give you, our customers and stakeholders, a clear view of how and why we are using third party flexibility to deliver stability and a future proofed network.

We are seeking feedback from propositions in this document to feed into our next steps and ED3 planning.

This strategy focuses on Flexible Connections, Services and System Co-ordination, because that's where you can get involved

This document is aimed at stakeholders and customers involved in flexibility provision, therefore ' third party' flexibility is most relevant.

If you want to find out more about flexible assets and how we use them, you could read our ODFM (linked below), one of the key documents we have in our suite.

Other documents which may be relevant to you:

Our Social DSO Strategy
Vision of our forward-looking focus for DSO.

Distribution Network Options Assessment (DNOA)
Summary of our evaluation method for network investment decisions.

Data Roadmap
Summary of the key data releases which stakeholders can expect from us.

Operational Decision-Making Framework
Technical summary of how we ensure safe, efficient, and regulatory-compliant network operations.

DSO DNO Governance Framework
Principles, responsibilities, and processes for transitioning into our DSO role whilst fulfilling the role of the DNO at the same time.

DSO Performance Panel Submission
Our summary to Ofgem of our key DSO achievements each financial year.

DFES
Scenario-based forecasts published by us, outlining how local energy demand and generation may evolve over time.

Network Development Plan
Outline of planned investments and upgrades to the distribution network to meet future demand and flexibility needs.

SLC31E Report and Statement
Our regulated report and statement of tendered, contracted and dispatched flexibility across each reporting year.

Long Term Development Statement
Our long-term vision for network evolution and investment priorities.

How we use flexibility across our network

We use Network and Third-Party flexibility across the distribution network for different reasons

Definition:

Third Party Flexibility: Third-party flexibility refers to the capability of external parties, not directly affiliated with the distribution network operators, behave flexibly on the distribution network e.g. through flexible services, connecting via flexible connections agreement.

High voltages

Low voltages

Different types of flexibility are used at various voltage levels on our network. You may recognize these key points where voltage changes across the network:

Grid Supply Point (GSP): The boundary between transmission and distribution networks.

Bulk Supply Point (BSP): A major substation that steps down extra high-voltage electricity before feeding primary substations.

Primary Substation (PSS): Steps down voltage further for distribution to multiple secondary substations.

Secondary Substation (SSS): The final step-down from high-voltage to low-voltage before the electricity is supplied to homes and businesses. These are strategically located near customer premises.

Flexibility type	Pillar	What	Why	Where	When
Third Party Flexibility	**Flexibility services and procurement**	When the demand for electricity in an area is greater than the amount that we can provide, we can utilise companies or individual customers known as Distributed Energy Resources (DERs) to help us manage network constraints. In return for providing Flexibility Services, DERs will receive payment.	• Reduce need for reinforcement investment • Manage uncertainty in future load growth forecasts • Manage network faults or outages • Speed up connections	• High and low voltages	Year ahead, Months ahead, Week ahead, Day ahead
	Flexible connections	Connections to the network which are made with constraints to their terms. These constraints can relate to time limits or system abnormalities	• Speed up connections for customers • Manage fault and outage risks	• Higher voltages	Year and Months ahead
	Co-ordination	Customers of the distribution network also respond to wholesale market signals and provide NESO flexibility services. Therefore part of enabling flexibility is working in a co-ordinated manner across the whole system.	• Whole system efficiency • Manage system constraints	• All levels of the network	Year ahead, Months ahead, Week ahead, Day ahead Within Day?
Network Flexibility	**Flexible assets**	Flexible assets are items of plant or equipment, owned and operated by Electricity North West, which can be controlled in order to modify the network topology. Some examples of the types of assets which can be utilised as flexible assets include tap changers, capacitors, reactors, circuit breakers, and switches.	• Network optimisation and the capability to unlock greater network capacity whilst also improving network stability and security • Restore the network after outages	• All levels of the network	Assets which are deployed

A range of reforms are underway that will shape our role in flexibility management

The UK is undergoing the biggest transformation in electricity networks ever seen. A wide range of policy changes are underway which could shape how flexibility is harnessed on the distribution network in the future:

Reform	Impact on flexibility
Clean Power 2030 (CP30) and GB Energy's Local Power Plan	CP30 highlights the need for a 5-fold increase in flexibility, which requires DNOs and NESO to build a system to facilitate this efficiently. The CP30 plan and Great British Energy's Local Power Plan mean £3B+ in funding for community energy, unlocking local renewable projects. DNOs have a unique role to play in supporting this development, being able to de-risk investment for communities through providing network data and expertise.
Regional Energy Strategic Plans (RESPs)	Regional Energy Strategic Plans (RESPs) will have a role informing when and where system capacity is required, and the extent to which the flexibility potential of low carbon technologies will (or will not) mitigate network impacts.
Elexon as the market facilitator	Elexon's evolving role as a market facilitator will drive further standardization, alignment across markets, and potentially deliver a role on coordinating scheduling and dispatch across markets and levels of the system.
Flexibility Market Asset Register (FMAR)	FMAR, being led by Ofgem, aiming to create a common digital infrastructure for registering distributed flexibility assets. This infrastructure is intended to streamline the process for all stakeholders by allowing asset data to be collected once, stored as a single source of truth, and accessed by multiple users, including the NESO and DSOs. FMAR is currently in the consultation and design phase, with Ofgem seeking input from industry stakeholders to refine the proposals and ensure effective implementation.
Market-wide Half Hourly Settlement (MHHS) Programme	Market Half-Hourly Settlement (MHHS) is a reform that requires electricity suppliers to settle customer energy usage based on actual half-hourly consumption data, improving accuracy, efficiency, and integration of flexible energy resources to the energy system – the migration is due to conclude by October 2026.
RIIO-ED3	The RIIO-ED3 framework consultation signals a need for rapid expansion of network capacity, However, we still believe that flexibility at distribution level has a key role in enabling the deliverability of this capacity, including managing constraints and outages to facilitate work, and that the DSO has a key role in facilitating and enabling distributed flexibility to participate in wider system support.

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DSO flexibility must prioritise cost efficiency, helping consumers avoid higher bills while maintaining a reliable, low-carbon energy supply. With rapid change and shared responsibility for Net Zero, we are ready to adapt and align with the evolving market – but this strategy is focused on what we can do next to support the above, broader initiatives.

Flexibility Services

Our future need for flexibility services and why your involvement matters

There is a growing demand for flexibility

The volume of flexibility services we need is set to grow significantly over the coming years, as evidenced by our Distribution Future Energy Scenarios which show a vast increase in the potential for flexibility services moving forward.

Value from flexibility services for DSOs depends on the needs they are helping us meet

Flexibility services enable us to mitigate or defer upgrades to the grid infrastructure, manage uncertainty in load growth, deal with planned and unplanned network events and to release capacity to enable connections. Flexibility services are valued based on which of these needs they are helping us meet, and ultimately how much this saves consumer money which would otherwise be spent on alternative actions. Flexibility services can help to manage energy bills, for instance where they reduce peak demand, and they can provide direct revenues to providers. In this way they help us contribute to our broader Social DSO strategy by providing value to consumers across our network.

Increasing market liquidity will likely make prices more competitive

As more distributed energy resources connect to our network and stakeholders gain a better understanding of the value of flexibility, the resulting growth in market liquidity will naturally drive more competitive pricing.

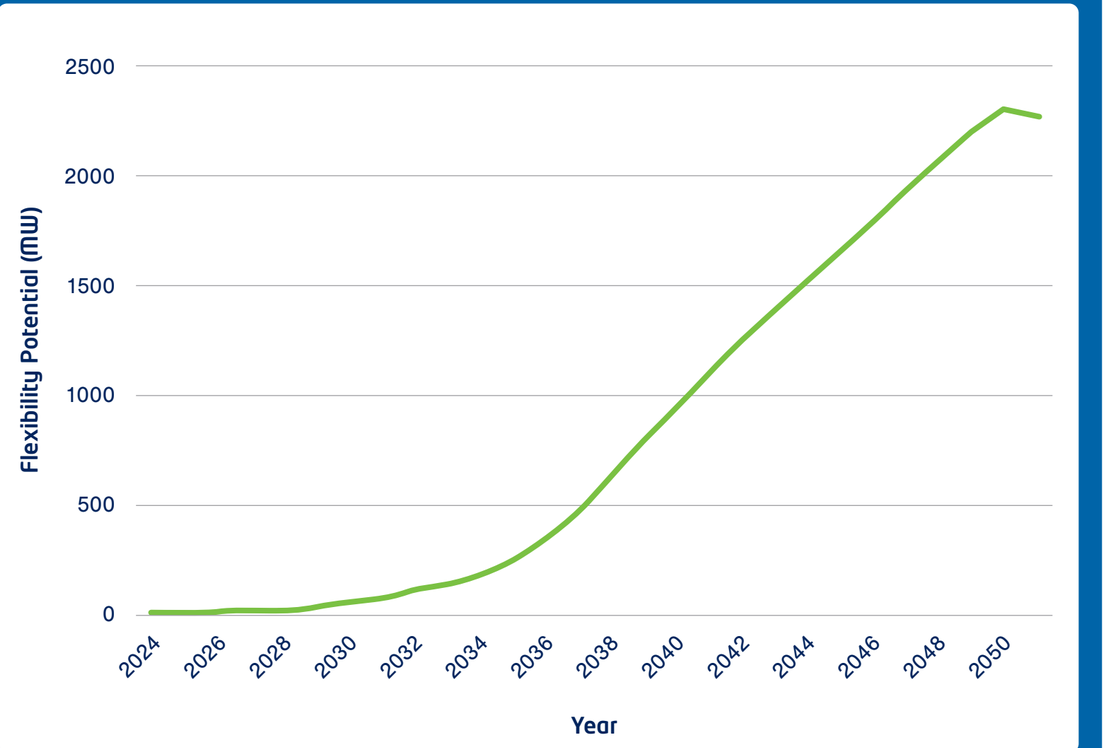
To meet increasing flexibility needs and support fair pricing, we are working closely with our customers and stakeholders to establish a successful market. For example, we tendered for LV flexibility for the first time this year, and plan to expand LV flexibility volumes in the coming years. These steps will help us secure the flexibility we need while delivering benefits to all our customers.

The following section of the strategy is most relevant to our Flexibility Service Provider stakeholder group or those stakeholders who may look to become flexibility service providers.

Go to our website: Flexibility Hub to see where our flexibility needs are now and where they will be in the future.

Our view of growth in flexibility potential

This is from our Distribution Future Energy Scenarios (Showing the 'Best View' scenario) which forecasts the Future Potential of Active Power Available for Flexibility Services



Flexibility services and how we use them

We use Flexibility Services to address a range of network needs

- We tender for flexibility services from Flexibility Service Providers (FSPs) to help manage network constraints, avoid or defer network reinforcement, help restore the network post-fault, manage planned outages, and release capacity to enable new connections
- The majority of our flexibility service requirements to date focus on managing thermal constraints within the network, when there are peaks in electricity demand. There are also increasingly more Low Carbon Technologies connected to the distribution network, which can cause more intermittent demand and generation (such as electric vehicles, heat pumps, solar panels)

In collaboration with the ENA and other DNOs, under the Open Networks project, we have been working to refine standardised flexibility services, we offer all of the below products:

Product	Response details	Use case	Provider decision timescale	ENWL decision timescale	Payment structure	What level of the network
Peak Reduction	Reduction in peak power utilised over time.	**Reduce a site's electricity consumption** during peak times e.g. via energy efficiency measures	Reduce a site's electricity consumption during peak times e.g. via energy efficiency measures	At trade utilisation timing	Utilisation only	All flexibility connected at, or below, the level of the constraint can participate
Scheduled Utilisation	Flexibility is delivered which is pre-agreed with the provider.	Manage **seasonal peak demands and defer network reinforcement**	At least month ahead (During Tendering / Bidding)	At trade utilisation timing	Utilisation only	
Operational Utilisation	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.	Restore network supplies following an unplanned outage/ fault	Real time	Real time utilisation timing	Utilisation only	
Operational Utilisation and Variable Availability	This product allows for DNOs and the NESO to procure a level of contracted capacity, but then refine the requirements in terms of availability closer to the event. The assets will then be dispatched for the required level of service that is required.	Flexible service procurement based upon **long range forecasting** of network constraints.	Week ahead availability adjustment	Real time utilisation timing Week ahead availability refinement	Availability and Utilisation	

Examples of different uses of the flexibility products

(Operational Utilisation and Variable Availability) A supermarket is looking to provide demand turn down by reducing their energy usage at peak times.

(Peak Reduction) A warehouse that uses a lot of energy, is looking to provide Peak Reduction via implementing energy efficiency measures.

See more detail and examples here: Flexible Services case studies

The existing flexibility service provider journey

Flexibility Service Provider Journey						
	Awareness	Qualification	Tendering	Scheduling and dispatch	Settlement	Repeat Contracting
Stage in the journey	Ahead of bidding in tenders our flexibility map visualises current and future flex requirements so FSPs can understand the location and type of our needs. We also conduct targeted engagement with stakeholders.	To partake as an FSP, providers must register an account on ElectronConnect and complete a Commercial Pre-Qualification which includes technical qualification. Once approved, the FSP's commercial qualification remains valid for future tends.	We run Spring and Autumn tenders for flexibility requirements up to four years ahead of need. The procurement rounds take place on ElectronConnect. FSPs can visit the platform at any time to confirm participation in competitions and submit bids.	For scheduled services (Operational Utilisation & Variable Availability, and Operational Utilisation), providers must be available to alter their demand or supply at all times in accordance with a pre-agreed schedule, which will be refined ahead of time. Dispatchable services (Scheduled Utilisation, Peak Reduction (excl. via energy efficiency measures), will be dispatched as part of a pre-defined schedule and as such the Provider should self-dispatch the agreed capacity at the agreed time. Where Energy Efficiency measures (Peak Reduction) are utilised, there will be no dispatch command issued; Providers are expected to provide an enduring reduction in demand, particularly at the pre-agreed peak times. Our services are dispatched based on a dynamic "merit order" list generated by our systems based on the most economic, efficient, fair and transparent way. Dispatch instructions are sent via the ElectronConnect platform.	Settlement of flexibility contracts is calculated in ElectronConnect, we conduct payments to our providers directly	We will support customers in repeating the cycle to bid for further flexibility after the first cycle
Summary of what we have in place to support you through the journey	**Our single marketplace platform, ElectronConnect streamlines the customer journey throughout** • Offering real-time visibility of progress of tenders meaning customers can track changes throughout the process. • The platform also gives us improved operational efficiency and data integrity by automating processes, this reduces manual errors and improves accuracy of data, accelerating our processing times. • Customers seeking to repeat in the process of tendering, will be able to without re-doing registration on ElectronConnect					
	We work one-to-one with flexibility service providers to ensure they understand the scope of DSO flexibility products and how to participate To participate in our flexibility service tenders, customers must: • Have an asset in one of the requirement areas • Be capable of adjusting how much electricity is consumed or generated within 15 minutes of receiving a dispatch signal • Each site must be able to provide a minimum 30 minutes response • Be able to provide a minimum of 10kW either individually or via an aggregator			**We produce bi-annual tenders including for forecasted flexibility 4 years ahead of need** • We are now able to tender for a range of needs, including constraint management, creating capacity for connections, planned and unplanned outages, so we have more value coming to market than you might have seen previously	**ElectronConnect, coupled with our integrated network software, gives stakeholders access to data about their services provision, and provides close to real time dispatch for decision making** • Proactive management of assets is supported –we can make FSPs aware of a need, or lack of a need, for dispatch, close to real time, allowing them to make informed trading decisions • We leave the third party to calculate and manage settlement – they are a completely neutral party which avoids any risk of unfair payment	

For more information on our flexibility service provider (FSP) customer journeys, please see our DSO Data Journey for an FSP: DSO Stakeholder Personas

See the journeys for different stakeholders under some examples of services here: Flexible Services case studies

How we are evolving our use of flexibility services

We have engaged with flexibility service providers and stakeholders to define needs of flexibility service providers and used this to define our current and future activities

What do our flexibility service providers and stakeholders need from us when engaging with flexibility services?

- **Guidance and support:** To aid understanding how flexibility service products are relevant to you and to understand the FSP role
- **Options:** Products available which cater for a range of customer and business types
- **Adaptability:** You have your own requirements; legally, financially and socially. Sometimes you require amendments to standardised terms to ensure contracts can be mutually agreeable
- **Market access:** Make it easy to participate in DSO flexibility services, and in other energy markets
- **Efficiency:** Short lead times between interest in becoming an FSP to activation
- **Data:** Access to flexibility market data that enables you to accurately forecast, supporting development of trading strategies and operational plans
- **Inclusivity:** A route to entry for all qualifying stakeholders and the ability to maximise value from flexibility, including from energy efficiency

	What we've already done: Implemented capabilities to support the full range of flexibility products, and mobilised market engagement	What we're looking to do next: Expand the diversity and number of FSPs, by providing the best customer journey and driving co-ordination
Guidance and support	• We conduct bilateral, strategic engagement which has been expanded to focus more on government bodies, Local Authorities and Large Energy Users	• We will be continuing our strategic engagement aiming to build our flexibility volumes across more types of providers
A range of products	• We tender for all available distribution service products, including providing extra options for you by facilitating combinations of products e.g. Peak Reduction and Operational Utilisation	• We will continue to tender for our range of products bi-annually in Spring and Autumn • Continued evolution of products and relevant primacy/stackability changes in line with ON-P • We will be exploring the findings from RetroMeter to see if it could help facilitate pass through of revenues from energy efficiency to domestic customers via our service products
Easy to contract with	• We have successfully contracted with a range of providers, in line with stakeholder feedback we are adhering to industry standards, yet diverging where required for unique provider needs - driving participation	• Based on your feedback as to how we could make contracting easier, we are aiming to reduce the length of the tendering cycle by streamlining contracting and qualification processes
Ability to participate in multiple markets	• We have the ability to provide notice of dispatch and availability at week ahead, giving more options to use your volumes if it's not needed by us	• We are establishing an Inter-Control Centre-Communications Protocol (ICCP) link with the NESO, pending scheduled works by the NESO in 2026. • We will use our platform to notify of dispatch and availability at close to real time dispatch, giving you more options with your capacity • We will continue to explore enabling secondary trading of curtailment obligations, using findings from our innovation project, BiTrader
Ease and efficiency of market access	• We use an end-to-end flexibility platform (from pre-qualification to settlement) • We have been tendering for current needs but also for needs predicted to occur within the next 4 years in order to prime you for our future needs	• We will be adopting the standard ENA API between our platform and the FSPs, to allow for standardisation across the industry and give us the ability to seamlessly amend the market platform with little impact to FSPs • Our platform will also soon be capable of handling payments to your accounts – making the end-to-end process span all the way to payment in one software
Data	• We share our flexibility needs via an interactive map and have the ability to generate and have the ability to share short term forecasts for dispatch with you	• We will use live network data gathered from our ANM software to improve reliability of flexibility needs forecasts • We will share further detail on operational dispatch and decision making to ensure you have full transparency
Inclusivity	• We work with stakeholders and in innovation projects to drive participation	• In line with our Social DSO strategy and refreshed community energy support we will to drive more participation from all sectors in flexibility services see page 20 for further details

Flexible connections

Why we use flexible connections and the options available for our customers

We now offer 5 types of flexible connection which help our customers connect to the network faster

- We used to offer flexible connections mainly to manage the export of power from sites with generation equipment
- Now, we can also utilise flexible connections which have demand import restrictions to avoid network constraints at certain periods of the year and during certain abnormal network running arrangements.
- We offer curtailable and system normal connections which both usually can be offered under our Active Network Management(ANM) scheme which controls the connection
- The connections offers can be used by the customer until the required network reinforcement has occurred or the constraint can be managed via alternative methods e.g. utilising Flexibility Services; or for the lifetime of the connection

Flexible connection type	Summary	Customer benefit	Network benefits	Customer limitations and responsibilities
Curtailable	A connection which can be disconnected or constrained when there are network overloads or restrictions affecting the network supplying the customer whilst the network is operating in an intact, system normal state.	Lower upfront connection cost Faster connection	ENWL have ability to curtail asset when network is constrained, minimises risks of constraint problems	Allows access to the grid without reinforcement but comes with a risk of curtailment when the network is constrained.
System Normal	A system normal connection can be disconnected or constrained when there is an abnormal network operating condition affecting the network supplying the customer e.g. circuits, switchgear, etc. This type of connection cannot be curtailed under system normal conditions.	More stable access with limited constraints	Ability to disconnect when there is a fault (fault risk and associated penalties minimised)	Customer will face disconnections – balance between cost of connection vs reliability of supply / export
Export Limiting	A connection where the installed generation equipment has a greater export capability than that which has been agreed to be exported onto the Electricity North West distribution system.	Enables larger generation to connect without grid reinforcement – e.g. where customers net off generation within their own site they can install a larger generator	Delay or negate need for reinforcement	Customer must limit export, avoids delays to connections and expensive upgrades
Import Limiting	A connection where the installed equipment has a greater import capability than that which has been agreed to be imported from the Electricity North West distribution system.	Reduced connection costs for high demand users – e.g. where customers have a potentially higher demand capability than they are actually likely to utilise or where they can net off demand using generation/storage	Managing supply and demand, assurance import limits will not be breeched	Customer must limit import, avoids delays to connections
Timed	A connection arrangement where connection capacity is subject to restrictions within specific time periods.	Enables grid access during off peak hours	Reduces peak loading on network	It is the responsibility of the customer to limit their import/ export during these periods.

What does this look like for connectees?

A utility wants to connect a new pumping station in an area where the electricity network is reaching peak capacity. Rather than paying expensive fees, it accepts a **timed agreement** where it will reduce energy usage during certain times.

A battery developer wants to connect to the grid in a constrained area, they accept a **System Normal** connection, taking the risk on being disconnected because they need a fast connection.

A community energy group wants to connect a new solar array in an area where the electricity network is reaching peak capacity. Rather than paying expensive fees, it accepts a **curtailable agreement** where it will be curtailed by ENWL ANM when the network is constrained.

The connections journey for flexible access arrangements

We provide the necessary support and guidance to enable our flexible connections customers a streamlined, transparent and fair journey from awareness to the point they have a live connection

Support from our teams is available throughout | Installation work will be facilitated where required | Monitoring support for all access arrangements | Data and reporting supports decision making and ensures curtailment is transparent

Flexible Connections Journey

	Awareness	Connections application, offer and contract	Set up of your connection	Dispatch	Reporting
Stage summary	The connectee becomes aware of the option of a flexible connection, which could help them connect to our network quicker and/or for less cost.	The connectee makes an application to connect to our network, and we produce a design and offer.	Our connections teams will help to ensure that connetees have the necessary equipment and knowledge. The connection is then installed and commissioned with ENWL.	Customers who have accepted a flexible connection that is curtailable in real time are instructed on the necessary level of curtailment to manage network constraint. Self managed customers will curtail their import/export within their contractual limits.	ENWL provide a number of reports to allow for flexible connections customers and other interested parties to understand forecasted and historical curtailment levels.
Key support mechanisms we provide	• Our connections, LAEP or DSO teams (depending on the connectee and what they need) support via directing connectees to documents and support tools that can support them to find information about flexible connections and plan their application • The **Data Hub** can be used to help inform the size, planned dates and location for a connection	• Our connections teams support via directing connectees to documents and support tools that can support them to find information about flexible connections and plan their application • It may be at this stage of the process that, if the customer has requested an unconstrained connection, that the connections team may highlight that a flexible connection could provide a viable option to the customer of a faster more cost effective route to connecting to the network	• Our connections teams will help to ensure that connectees have the necessary equipment and knowledge to fulfil their contractual obligations.. • ENWL will install the necessary hardware and software onsite to enable real time flexible connections management (where required)	**Ensuring all connections comply with regulations and are treated fairly, as per their contracts** • For connections with self managed flexible connections the customer is responsible for ensuring they comply with the requirements as defined within their connection agreement. These are: Timed Connection agreements, Import and Export limiting devices. • For connections with flexible connections that are controlled via ENWL controls, ENWL will monitor the sites state via onsite monitoring. ENWL will send commands in real time to define an optimised request for curtailment of import and export. These requests should be adhered to, to avoid causing network disruption. • Sites which are controlled with the assistance of our Active Network Management System (ANM) will have their levels of curtailment optimised to fairly attribute curtailment across user within the constrained network area in line with their curtailment index.	• Sites being controlled with the assistance of ANM will be given access to our curtailment forecasting system which 48 hours ahead will provide a forecast of potential constraints. • Sites with a curtailment index will be provided with an annual report of actual curtailment, they can find more information at **https://www.enwl.co.uk/get-connected/apply-for-a-new-connection/flexible-connections/curtailment-information/** • We report annually to Ofgem on the volumes of flexible connections to the network. • Our Embedded Capacity Register (ECR) provides information on connections with Flexible connections: **https://www.enwl.co.uk/get-connected/network-information/embedded-capacity-register/**

How we are evolving our use of flexible access arrangements

We have engaged with stakeholders to understand their needs to inform our current and future activities

What do our customers, stakeholders and connectees need from us when interacting with flexible connections?

- **Guidance and support:** Timely support to decide which connection type is suitable for you and in navigating the connections process, as well as access to reliable data on which to base decisions.
- **Options and choice:** Choice regarding connection types that can suit a range of customer and business types and requirements, and can save money and time when connecting.
- **Make it easy:** Have a simple experience, without additional costs and barriers such as additional control assets.
- **Predictability:** You need to know how much network access to expect, in order to plan your operations. Some customers want to know close to real-time based on the best information.
- **Transparency:** You want to know why you have been curtailed, and that it conforms to your original agreements.
- **Network access:** You need maximum network access when connected via a flexible access arrangement, especially where you have opportunities to provide services to the wider energy system.

	What we've already got set up: Our systems and processes to facilitate a range of flexible connections	What we're looking to do next: Growing customer volumes under management and evolving whole system coordination
Guidance and support	• We offer pre-application engagement to help customers understand their options • The DSO team is involved in offers where complex flexible access arrangements are possible • Curtailment assessments are provided with flexible offers and clear curtailment forecasts and caps, ensuring customers can complete revenue modelling and make informed investment decisions • Our data portal contains a range of operational data to support decisions regarding flexible connections	• We are aiming to streamline connecting customers experience with us through strengthening our process hand-offs between our Connections teams and the DSO • We are increasing our focus on proactive outreach where customers can benefit from flexibility
Connection product options	• We offer 5 types of flexible connection to customers to enable timely and lower cost access to the grid • The range of options is suitable for different customer needs (import and export) and at all levels of the network • We have modified the ANM system in order to support the NESO to apply technical limits enabling connections restricted by Transmission constraints to connect earlier	• We will develop the ANM system to be able to facilitate "Part 3" constraints, enabling customers to connect • We will iterate connections products as per industry and stakeholder needs e.g. developing ramped connections • We are investigating more innovative arrangements for Distributed Generation e.g. in community energy schemes
Efficient systems enablement	• As of 2025, our Active Network Management (ANM) system is live across our whole network • ANM is enabled via our Network Management System and so the cost of entry for new customers is low as we do not need to install local control assets	• We will increase the co-ordination between our ANM and other applications e.g. fault restoration systems to drive optimal use of ANM • We will be leveraging findings from tests in 2025 innovation projects e.g. Bilateral trading of curtailment liability risk via BiTrader
Predictability and transparency	• We cap curtailment using the curtailment index method to ensure fairness • Our Operational Decision-Making Framework (ODMF) is published clearly setting out dispatch principles	• We will provide curtailment C including day-ahead and intra-day where required by customers and stakeholders to help plan and manage their operations • We will be launching further operational decision-making reporting for transparency
Network and wider market access	• Our ANM enables fine adjustments to capacity, not just on/off, and works based on real-time network modelling rather than simple "worst case" assumptions • We consider prior in-year curtailment levels vs. curtailment limits to inform how we order dispatch options, allowing us to fairly distribute curtailment based on a "pseudo-price" (see our ODMF – link above) • Our dispatch framework is consistent with the ENA Open Networks Primacy rules for coordinating dispatch with the NESO	• We will share the merit order with NESO so that we can support future whole system collaboration and optimisation • We are establishing an Inter-Control Centre-Communications Protocol (ICCP) link to share real time data with NESO • We will work with the ENA to further the concept of curtailment pricing in order to incentivise DNOs to take flexibility options • We will look to introduce facility for bilateral trading of curtailment obligations, pending trials outcomes and customer demand

Co-ordination

How we coordinate with stakeholders to enable net zero both locally and across the wider energy system

Co-ordination will be a key enabler for net zero - The Clean Power 2030 (CP30) plan highlights the need for a **five-fold increase in flexibility**. Achieving this efficiently requires two core co-ordination pillars:

1 Whole system coordination of Distributed Energy Resources to do what is most valuable for the whole energy system

What is whole system coordination?

Whole system coordination of Distributed Energy Resources (DER) and flexibility refers to how we coordinate renewable generation, storage, and demand-side response to ensure that electricity flows efficiently where and when it's needed – reducing costs, enhancing resilience, and accelerating the transition to net zero.

This requires close coordination between the National Energy System Operator (NESO) and the DNOs through market mechanisms and dispatch. It's a smarter, more connected energy future where every asset plays a role in balancing the grid and maximising value for consumers and communities alike.

This can drive:

- Reduced whole system costs and bills
- Greater revenue opportunities for service providers to incentivise investment
- Lower carbon intensity energy system

2 Co-ordination and support for communities to deliver successful community energy schemes that facilitate net zero

What is community energy?

A community energy project is an initiative where local individuals, businesses, or organisations collaboratively develop, own, or benefit from renewable energy generation, energy efficiency measures, or flexibility services.

These projects aim to increase local energy resilience, reduce carbon emissions, and provide economic and social benefits to the community.

Setting up community energy schemes requires coordination across a range of actors and support to navigate complexities in design and implementation.

This can drive:

- Faster connections of distributed generation and new demands
- Reduced consumption and lower energy costs for local communities
- Improved investment cases to unlock funding for net zero

How we are supporting whole system coordination of Distributed Energy Resources

1 Whole system coordination of Distributed Energy Resources to do what is most valuable for the whole energy system

2 Co-ordination and support for communities to deliver successful community energy schemes that facilitate net zero

What do our customers, stakeholders, and flexibility service providers need from us to enable whole system flexibility?

- Effective **energy system co-ordination** is needed to ensure that distribution-connected assets can do what is most valuable across the entire energy system – i.e. participate in more than one NESO market as well as DNO flexibility markets.
- Flexibility service providers need **guidance and support** to understand how to participate in whole system flexibility and inform their investments.
- They also need us to have **aligned commercial arrangements** with the NESO such that they can participate in more than market at once and stack revenues.
- The NESO needs us to **coordinate in operational timeframes** to ensure that we are aligned in how we are **dispatching flexibility**, and not working against each other.
- DERs need us to **maximise their network access** if they are to provide services to the wider system, either through firm connections where possible, or by minimising curtailment of flexible connections through efficient network management.

How we will deliver

Guidance and support	• Through **proactive engagement** with customers and flexibility service providers we advise on market opportunities beyond the distribution network, to ensure providers can provide flexibility where it is most valued and rewarded
Aligned commercial arrangements	• We **maximise** the ability for providers to participate in wider markets. We would **only ever specify exclusivity for high-risk operational needs** (e.g. availability to support a planned outage in the event of fault) for which we pay higher prices.
Market openness and integration	• We will be adopting the ENA standard API for the Market Platform to FSPs to allow for standardisation across the industry and to allow us to seamlessly change market platform with little change to FSPs. As the market facilitator role matures, **we have openness in our market operating model that will support us in adopting any industry-wide market processes for coordination**.
NESO dispatch coordination	• We are establishing an Inter-Control Centre-Communications Protocol (ICCP) link with the NESO, pending scheduled works by the NESO in 2025. This will enable faster data sharing in relation to flexibility schedule conflicts in near to real time. In the meantime, **we use a Risk of Service Conflicts report available via API on our Open Data Portal**. • The industry has defined “Primacy” rules which govern who gets priority in dispatch for a given service. We have trialled Primacy rules on our network, and will continue to mature these processes as dispatch volumes increase.
Network access	• In network planning, we have added wider system and social benefits into our options appraisal, in collaboration with our DSO Panel, meaning **we prioritise network investment if it enables DER that will provide valuable flexibility**. • We have established the **ability to put a price on curtailment**, rather than consider it a “free” option. This means that if we can dispatch a flexibility service to manage a need that is cheaper than curtailment, that is what we’ll do. • We are currently trialling and hope to have facility via our market platform partner to enable **secondary trading**. This means that customers on flexible connections would be able to trade out of their curtailment to participate in wider markets if it makes sense.

How we are supporting community and local energy schemes

1 Whole system coordination of Distributed Energy Resources to do what is most valuable for the whole energy system

2 Co-ordination and support for communities to deliver successful community energy schemes that facilitate net zero

What do our customers, stakeholders, and flexibility service providers need from us to support communities to deliver successful projects that facilitate net zero?

- **Help, via network data, to identify locations** and regions that have potential for setting up local energy schemes that can drive benefits
- Guidance, **and facilitation of engagement with other stakeholders** to help design and implement local energy schemes
- Supporting identification of and access to **funding routes, cost savings, and revenue streams** to support local energy projects
- Connecting **local energy groups with suppliers, partners and energy industry participants** needed to support energy schemes
- Support **driving the most innovative projects** that may change industry arrangements

How we will deliver

Guidance, support, and engagement	• We are **centralising our activity on community energy into a single team in the DSO** and strengthening the team in line with our ambitions for the level of activity. • This team provides **advice on how to plan and establish community and local energy schemes**. This can include provision of network and market data, advice on flexibility market access, design of local schemes, connections journey support, and help with access to funding.
Identification of locations	• Through ongoing engagement with Local Authorities, regional enterprise groups, and the NESO's new Regional Energy Strategic Plan hubs, we will **collaboratively work to identify areas for local energy schemes**, with a priority focus on enabling local benefits and driving a just transition. • We are establishing a formal process with our connections function to assist them in **identifying high potential locations through pre-application connections engagement**, to be referred to our specialist team, as well as referring complex connections that have been offered expensive or long lead-time connection offers
Access to funding, cost savings, and revenue streams	• Provision of **advice and assistance to community energy organisations** seeking to understand the costs and benefits of energy schemes that can support their project • Assistance **accessing available funding**, including access to our own **Powering Communities fund**, as well as wider opportunities such as upcoming Local Power Plan funding
Partnerships	• Providing **advice on the range of service providers that might be required to support a community or local energy scheme**, as well as **access to our network of partners** that have been involved in trials and schemes across our areas • This could include supporting community and local energy schemes to connect with the NESO, hardware providers, flexibility managers, aggregators, investors, smart suppliers, other community energy groups, and wider connecting customers.
Innovation trials	• **Support through our innovation team for the most innovative schemes** that might face industry barriers that need to be overcome. This can include support via innovation funding mechanisms if appropriate.

What does our new community energy approach mean we will do and why?

1 Whole system coordination of Distributed Energy Resources to do what is most valuable for the whole energy system

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Through our community and local energy services we are seeking to support organisations like...

- Community energy businesses
- Community energy groups
- Local Authorities
- Housing trusts and associations
- Public services e.g. Schools, NHS Trusts, public buildings
- Distributed generators
- Parish Councils
- Community groups
- Environmental groups
- Sports clubs

Example projects

See our website for further current case studies and how to get involved: Community and local energy

Local solar offtake scheme

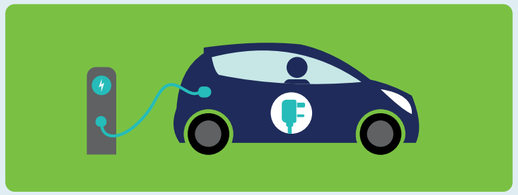
Summary of project

- A solar field is being curtailed at peak times, and is looking for a customer to offtake excess generation behind the network constraint
- We have joined them with a social housing customer who is buying this energy at a reduced rate via a Power Purchase Agreement, thus avoiding curtailment

What are the benefits?

- Reduced lost revenue for the solar field
- Cheaper energy for the social housing
- Lower carbon intensity energy grid
- Negates need for network reinforcement

Charge My Street



Summary of project

- This project will test an app to help make the business case for co-located solar and electric vehicle charge points in community settings
- Charge my Street have also been introduced to flexibility services and have been contracted to provide services to us

What are the benefits?

- Reduced lost revenue for the solar
- Lower carbon intensity for charging
- Increased charging infrastructure at lower prices for locals
- Revenues from flexibility services

Low Carbon Community Heat

Summary of project

- This project is to explore the feasibility for an off-gas village to decarbonise it's heating via a shared ground source heat pump. It aims to use a community-led approach to support the village in transitioning from its fossil fuelled energy supplies

What are the benefits?

- Low carbon heating for the community
- Community infrastructure planning enables easier network planning Ground loops present opportunity to reduce need for reinforcement compared to individual heat pumps within the community

Where to get involved

Where can I get involved in the next year and when

To help you plan we have mapped the next year of planned tenders, publications and DSO engagement

15th April – Spring 2025 Requirements Published

27th October – Autumn 2025 Requirements Published

April - Jun	Jul - Sept	Oct - Dec	Jan - Mar

3rd April – DSO Conference

April – DSO Incentive Report

Mar – Ofgem Flexibility Services 2026 Procurement Statement

Continuous Stakeholder Engagement

- 121 sessions on request
- DSO Discussions - Discussions between us and you about certain themes e.g. Data, DFES, Flex and ODMF
- DSO Functions - Recorded webinars with updates from us
- Bilaterals with Local Authorities and Strategic Partners
- Communications: Newsletters, event promotions press releases, social media, blogs
- Industry relevant conferences and Strategic Partner events

Participate in flexibility services:

Our next flexibility tender round which will allow providers to respond to our needs will launch in Spring 2025. To discuss with us directly how to participate in Flexibility Services contact us here: Flexible Services get in touch form.

Provide feedback on this strategy:

Contact us with thoughts here:
flexible.contracts@enwl.co.uk

Or attend one of our DSO engagement sessions above

Explore our datasets:

These include our flexibility service requirements and data which can inform your connection request:
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