electricity north west

Bringing energy to your door

Distribution Flexibility Services Procurement Report

April 2025

Unlocking Flexibility: Streamlined procurement for a reliable network

www.enwl.co.uk/flexible-services

Contents

Contents

EXECUTIVE SUMMARY

Welcome to our fourth Distribution Flexibility Services Procurement Report, where we present our outcomes of procuring flexibility services in the previous regulatory year.

Our plans for procuring flexibility services for the upcoming regulatory year are detailed in our Distribution Flexibility Procurement Statement, while report details the outcomes of the services procured and dispatched in the previous regulatory year and reflects on our activities and approach to engagement, tendering, evaluation, contracting and dispatch.

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 autumn 2024 which sought 870MW between 2024-28. During the 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 regional customers and stakeholders that this delivers.

We publish our requirements twice a year, in spring and autumn, in line with the completion of our network loading analysis, Distribution Future Electricity Scenarios (DFES) and Distribution Network Options Assessment (DNOA). The tables below provide an overview of our requirements for each tender round in 2024/25 with further details provided in Section 2.3.

In the 2024/25 regulatory year we have successfully dispatched 4349.30 MWh. This dispatch volume is comprised of the following product breakdown: Peak Reduction (4320 MWh), Operational Utilisation (0.041 MWh) and Operational Utilisation + Variable Availability (29.26 MWh).

Tendered and contracted requirements undertaken during the 2024/25 regulatory year					
Product	Spring-24		Autumn-24		Bespoke
	Tendered Requirements (MW)	Contracted Services (MW)	Tendered Requirements (MW)	Contracted Services (MW)	Contracted Requirements (MW)
Operational Utilisation	389.2	0.096	374.71	0.014	0
Operational Utilisation + Variable Availability	95.04	4.32	302.3	0.11	40
Peak Reduction*	95.04	0.068	494.47	0.168	2
Scheduled Utilisation	n/a	n/a	192.17	0	0
Totals	**484.24**	**4.484**	**869.18**	**0.292**	**42**

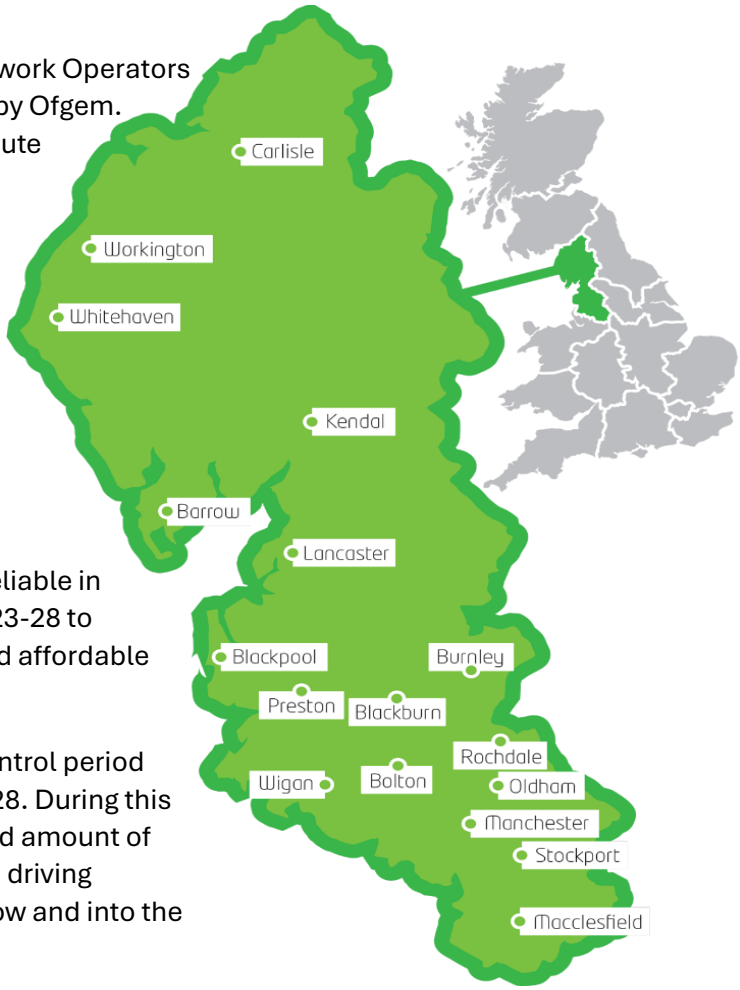
**Peak Reduction volumes are a duplication of Operational Utilisation + Variable Availability and Scheduled Utilisation.*

We have continued our emphasis on customer engagement to support the development and priming of this emerging market, with a focus on removing barriers to participation in future tenders and including low voltage (LV) requirements into our autumn 2024 tender for the first time. Section 3 details these engagement activities and the feedback we have received as a result.

1. INTRODUCTION

1.1 About Electricity North West

Electricity North West is one of six 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.

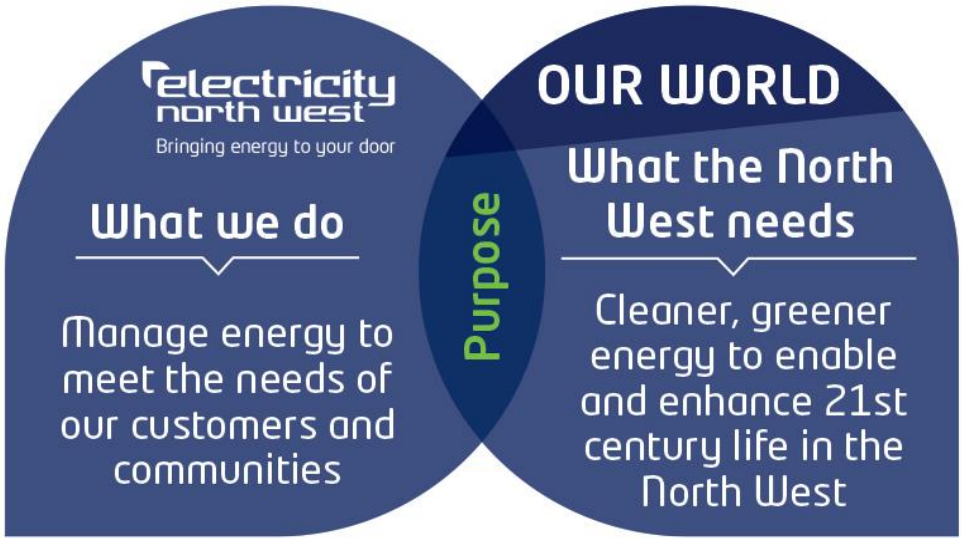


We are responsible for maintaining and upgrading 13,000 km of overhead power lines, more than 44,000 km of underground electricity cables and nearly 500 major substations across the region. We supply electricity to the diverse communities in the North West of England which extends from Macclesfield all 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 approach to the procurement of flexibility services, the volume of flexibility procured, contacted and dispatched and the associated stakeholder engagement feedback and outcomes that drive our activities.



2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

2.1 Procurement, contracting and dispatch summary

During 2024/25, we tendered for 486.4MW of flexibility services, with 157.92MW for provision in the 2024/25 period.

Within the 2024/25 tenders we accepted a total of 42 bids totalling 47.28MW for the provision of services within the period of 2024-2028, of which 42.024MW was for the 2024/25 period. Nine bids with a total of 0.1 MW were accepted but did not progress to 'contracted' therefore a total of 33 bids were accepted and progressed to 'contracted', representing a volume of 47.18MW. Details of these bids are included within the Procurement worksheet of the Supporting Data template.

As such there was a 110.74MW shortfall in flexibility services requirements for the 2024-25 period. Section 2.2 below outlines the stakeholder feedback we have received regarding barriers to participation and the actions we are taking to address this.

Within the 2024/25 regulatory year we dispatched a total of 4349.30 MWh of flexibility services.

2.2 Stakeholder feedback on tender participation

During the course of the year we carry out feedback collection exercises, both formally and informally. Some of the reasons given from stakeholders choosing not to bid into tenders were:

- Low revenues offered by DNO flexibility services contracts compared to other markets e.g. NESO services.
- Prioritisation of participation in the NESO's Demand Flexibility Service (DFS); as these assets can also be grouped at a national scale it is less important about the clustering of assets into a small geographical area like a DNO constraint zone.
- A lack of suitable assets in the locations where we are procuring, predominantly the services required in rural locations with low customer numbers and limited local generation, so participants do not tend to have existing assets in these areas.
- FSPs would prefer more real-time or shorter-term procurement (day ahead markets)
- Some participants would prefer longer contract lengths to guarantee they are not developing stranded assets; whilst others would prefer much shorter contract lengths, so they can participate in other markets.
- Concerns about some of the clauses within the Standard Flexibility Agreement.
- Some industrial and commercial organisations expressed a lack of internal resource to support flexibility tender participation allied with a reluctance to utilise aggregators.

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

To address this feedback, we have taken the following actions:

- We have refreshed our Flexibility Strategy which was published in March 2025. This strategy provides our stakeholders with a clear view of our current and future flexibility ambitions and addresses barriers to entry by offering clarity on our processes and services.
- We have also launched our Social DSO Strategy, shaped by our customers and stakeholders. It outlines how we will deliver an inclusive approach and adapt our DSO transition through a social business model that creates both economic value and wider societal benefits. The implementation of this strategy will drive flexibility services for all customers in our regional value chain.
- We have improved our cost calculator tool in response to stakeholder feedback. From autumn 2024, we began publishing a £/kWh ceiling price for all of our utilisation payment products including LV Scheduled Utilisation. We updated our tool to reflect this change, which has helped FSPs develop their bidding strategies and provided greater certainty on revenue streams. In addition, our updated tool allows users to search for the specific tender and product they are looking to participate in and check if their bidding prices are likely to be accepted. We have also updated our user guide making it easier for stakeholders to use.
- This year we updated our Distribution Network Options Assessment (DNOA) methodology to factor in broader system and social benefits, meaning we can prioritise network investments that enable valuable flexibility from distributed energy resources. We have also refined our Real Options Cost Benefit Analysis (ROCBA) tool which captures the whole-system benefits of flexibility, ensuring these services are properly valued.
- We introduced LV requirements across 11 secondary substations in our autumn 24 tender. LV requirements will increase further in our spring 2025 tender to 67 secondary substations.
- We have increased and included bespoke connections driven reinforcement flexibility opportunities across 12 locations.
- We have identified industrial and commercial users who have flexible assets that sit within our constraint zones. We are currently engaged with several entities who have the potential to deliver against requirements. This is a new process for them and has involved engagement with a range of internal stakeholders and ringfencing of their resources to allow them to participate in our future tenders.
- We continue to review regional challenges to both identify and overcome barriers to the uptake of LCTs and flexibility market participation in our region. This approach has informed our strategic engagement plan. We have collaborated with cluster organisations, aggregators, local authorities and industrial and commercial users to build awareness, increase exposure and provide dedicated guidance and support to connect to our network and participate in flexibility markets.
- We continue dialogue with potential providers about other sources of revenue which they could stack with a DNO flexibility service provision, to obtain maximum value from their assets and investments. For example, we worked with businesses to promote energy efficiency measures to reduce their demand at peak times on the distribution network, in return they are paid for providing this energy reduction. Through energy efficiency, providers will reduce their energy bills and environmental impact. We support FSPs by providing sources of impartial advice about how to implement energy efficiency measures and to transition to lower carbon technologies, whilst minimising their network impacts.
- We have enhanced the support and guidance provided to FSPs through the entire end-to-end tender process.

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

- We continue to work with the NESO and the other network operators via the Open Networks Project to develop solutions that allow for the stacking of multiple revenue streams, so that participants of the NESO markets are not excluded from participating in DNO markets and can achieve the maximum value from their assets.
- We have maintained tender participation volume threshold at 10kW. There are no restrictions on the size of sub-sites of aggregated portfolios, but the total portfolio size needs to be at least 10kW.
- We continue to accept alternative metering granularity as part of our tenders, including half hourly metering granularity where minute by minute is not possible.
- We provide a dedicated resource to local authorities and industrial and commercial users to offer guidance and support through our tender process and stimulate participation.

2.3 2024/25 Procurement Statement

Our April 2024 Procurement Statement stated that we were looking to procure a total of 486.4MW of flexibility services during the period 2024-2028, with 115.92 MW required for the 2024/25 period.

In our autumn tender, we refreshed our demand forecasts as part of the DFES process, and reissued the zones where needs were not met for the remainder of the RIIO-ED2 period.

This resulted in an increase in the volume of flexibility services that we tendered for between spring and autumn 2024, from 486MW to 870MW. The additional volumes tendered are attributed to:

- Autumn 2024 tender included 11 LV substations which was our first market test of LV flexibility opportunities
- Autumn 2024 tender included 12 additional locations for customer connections driven reinforcement. Opportunities were market tested before any network reinforcement was proposed in line with our 'flexibility first' approach. In line with our commitments to ensure that we facilitate the uptake of low carbon technologies, as well as maintaining security of supplies we considered that market testing for flexibility services on the connections driven reinforcement locations could potentially aid and address our customers' connections requests in these 12 locations.

We accepted 0.024MW of requirements in response to the spring tender, and 0.292MW in response to the autumn tender.

We also carried out two separate tenders for flexibility services outside of the standard procurement cycles and from these tenders we procured 42MW of flexible services (see Section 2.4.1) . The breakdown of the predicted and contracts requirements is shown in the table that follows.

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

The table below sets out the predicted, tendered and contracted services for delivery during 2024/25

April 2024 Procurement Statement predicted requirements vs contracted services for 2024/25			
Product	**April 2024 procurement statement predicted requirement 24/25 (MW)**	**Actual tendered services requirements 24/25 (MW)**	**Actual contracted services 24/25 (MW)**
Peak Reduction	9.31	11.31	2
Operational Utilisation	97.3	97.3	0.024
Operational Utilisation + Variable Availability	9.31	49.31	40
Scheduled Utilisation	n/a	n/a	0
Total	**115.92**	**157.92**	**42.024**

2.4 2024/25 tender requirements

It is possible to look back at the requirements tendered for including capacities, service type, duration, estimated availability and utilisation, ceiling prices, and postcode sectors via our Previous Requirements webpage. For the 2024/25 tenders, this information can be accessed both in a tabular format and in a graphical format via following links:

Tender period	Tabular format	Geographical format
Spring 2024	Spring 24 Table	Spring 24 Geographical
Autumn 2024	Autumn 24 Table	Autumn 24 Geographical

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

2.4.1 2024/25 bespoke tender requirements

During the course of the year two bespoke requirements emerged that fell outside of the standard spring or autumn tenders.

An issue on our network was identified in September 2024 that was affecting security of supply for local network users at Hattersley substation. This issue was attributed to asset health issues on a section of 11kV underground cable. The location of the damaged cable is on a section of the strategic road network operated by the Highways Agency and the damaged area predominantly along the route of a major link road. The repair of the damage needed to be co-ordinated with the Highways Agency to reduce the significant impact upon road users. To minimise curtailment of flexible connections, as well as providing our DNO teams the opportunity to look at alternative routes for the replacement of the damaged cable section, we instead contracted with a generator for them to turn down their output from 6MW to 4MW from the period 1 January 2025 to 31 March 2025 (24/7). This resulted in a total dispatch volume of 4320 MWh.

As part of our drive to progress our Active Network Management system (ANM) into business as usual there was a need to test the systems capabilities within a live environment. Until this year the system had been tested utilising simulated DER responses, however as this system will be utilised to manage significant levels of DER capacity, it was important to verify that it operated correctly in a live environment. To verify the system, we entered a contract with a battery owner for 20MW of demand increase, and 20MW generation increase; we then instructed the battery to operate in different directions which would create test overloads on the network that ANM would need to resolve by curtailing the battery's import and export. This resulted in a total dispatch volume of 29.3 MWh. As a result of the testing process we are now in final preparation for the energisation of our first ANM customer to the network.

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

2.5 Procurement summary

The tables below summarise the level of services procured by product type and by postcode sector. For this reporting period all of these services are in the accepted and contracted stage.

Actual procurement by product and locations					
Peak Reduction					
Substation name	**Actual Procured services 24/25 (MW)**	**Actual Procured services 25/26 (MW)**	**Actual Procured services 26/27 (MW)**	**Actual Procured services 27/28 (MW)**	**Location Postcode Sector**
Ambleside, Calgarth & Mintsfeet	0	0	0	0.014	CA10 3, KA23 3, L, LA, LA10 5, LA11 6, LA11 7, LA12 8, LA22 0, LA23 1, LA23 2 , LA23 3, LA6 6, LA8, LA8 0, LA8 4, LA8 6, LA8 8, LA8 9, LA9, LA9 0, LA9 3, LA9 4, LA9 5, LA9 6, LA9 6N, LA9 7, LA9 8, LA9 9, SK1 3
Capontree. Westlinton & Pirelli	0	0	0	0.014	CA12 5, CA2 4, CA2 6, CA3 0, CA4 0, CA4 8, CA4 9, CA5 6, CA5 7, CA6 1, CA6 4, CA6 5, CA6 6, CA7 1, CA7 2, CA7 3, CA7 5, CA8 1, CA8 2, CA8 3, CA8 7, CA8 9, DG16 5, LA2 0
Chorley South	0	0	0.01	0.01	PR26 9, PR6 0, PR6 8, PR6 9, PR7, PR7 0, PR7 1, PR7 2, PR7 3, PR7 4, PR7 5, PR7 9
Frederick Road BSP	0	0.07	0.024	0.094	M1 5, M15 4, M15 5, M15 6, M16 5 ,M16 6, M16 9, M2 7, M21 8, M22 5, M25 9, M3 1, M3 2, M3 3, M3 4, M3 5, M3 6, M3 7, M30 0, M30 9, M33 6, M4 , M41 7, M5, M5 0, M5 2, M5 3, M5 4, M5 5, M5 9, M50 1, M50 2, M50 3, M6 4, M6 5, M6 6, M6 7
***Hattersley**	2	0	0	0	SK14 3NU
Total	**2**	**0.07**	**0.034**	**0.132**	

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

Actual procurement by product and location					
Operational Utilisation					
Substation name	Actual Procured services 24/25 (MW)	Actual Procured services 25/26 (MW)	Actual Procured services 26/27 (MW)	Actual Procured services 27/28 (MW)	Location Postcode Sector
Alston	0.012	0.012	0.012	0.012	CA9 1, CA9 3, CA9 6
Gilsrow	0	0.014	0	0	CA10 2, CA10 3, CA11 0, CA12 4, CA12 5, CA17 4, CA7 8, PR2 1
Yealand	0.012	0.012	0.012	0.012	LA5 0, LA5 9, LA6 1, LA6 3, LA7 7, LA8 0
Total	**0.024**	**0.038**	**0.024**	**0.024**	

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

Actual procurement by product and location					
Operational Utilisation + Variable Availability					
Substation name	**Actual Procured services 24/25 (MW)**	**Actual Procured services 25/26 (MW)**	**Actual Procured services 26/27 (MW)**	**Actual Procured services 27/28 (MW)**	**Location Postcode Sector**
Ambleside, Calgarth & Mintsfeet	0	0	0.014	0	CA10 3, KA23 3, L, LA, LA10 5, LA11 6, LA11 7, LA12 8, LA22 0, LA23 1, LA23 2, LA23 3, LA6 6, LA8, LA8 0, LA8 4, LA8 6, LA8 8, LA8 9, LA9, LA9 0, LA9 3, LA9 4, LA9 5, LA9 6, LA9 6N, LA9 7, LA9 8, LA9 9, SK1 3
Burrow beck	0	0.038	0	0	CA8 9, L, LA1 1, LA1 2, LA1 3, LA1 4, LA1 5, LA1 A, LA2 0, LA2 4, LA2 9, PR3 0, PR3 1
Capontree, Westlinton & Pirelli	0	0.045	0.014	0	CA12 5, CA2 4, CA2 6, CA3 0, CA4 0, CA4 8, CA4 9, CA5 6, CA5 7, CA6 1, CA6 4, CA6 5, CA6 6, CA7 1, CA7 2, CA7 3, CA7 5, CA8 1, CA8 2, CA8 3, CA8 7, CA8 9, DG16 5, LA2 0
Chadderton GSP	40	0	0	0	OL9 9XB
Frederick Road BSP	0	0	0.4	0	M1 5, M15 4, M15 5, M15 6, M16 5, M16 6 , M16 9, M2 7, M21 8, M22 5, M25 9, M3 1, M3 2, M3 3, M3 4, M3 5, M3 6, M3 7, M30 0, M30 9, M33 6, M4 3, M41 7, M5, M5 0, M5 2, M5 3, M5 4, M5 5, M5 9, M50 1, M50 2, M50 3, M6 4, M6 5, M6 6, M6 7
Moss Lane	0	0	0.3	0.3	BB12 8, BL9 8, BL9 9, M24 4, M25 1, M25 2, M25 3, M25 7, M25 9, M4 5, M45, M45 6, M45 7, M45 8, M46 7, M7 4, M8 9, OL10 2
Moss Side (Leyland) & Seven Stars	0	0.8	1.29	1.63	PR25 3, PR26 6, PR26 7, PR25 1, PR25 2, PR25 4, PR25 9, PR26 8, PR26 9, PR4 1, PR5 1, PR5 3, PR7 5, PR7 6
Total	**40**	**0.883**	**2.018**	**1.93**	

2. FLEXIBILITY PROCUREMENT AND USE SUMMARY

Our March 2024 procurement statement included the timelines for our proposed flexibility service procurement activities for the year; these timelines were followed with no deviations.

2.6 Spring 2024/25 procurement timeline

2.7 Autumn 2024/25 procurement timeline

2.8 Conflict management with the NESO

There have been no requirements for conflict mitigation with the NESO in 2024/25.

We have been active participants in the Open Networks primacy rules working group, working with the rest of the industry to develop rules and procedures to allow for service stacking and conflict management, where required.

We are committed to implementing the primacy rules into business as usual and in line with this commitment we have created a page within our open data portal for the publication and sharing of our Risk of Conflict Reports. Our Risk of Conflict report is accessible in a range of formats including in an API accessible format. We have not identified any conflicts at this stage, so have utilised the API data transfer capabilities to allow the NESO to verify their automated import procedures and processing of these Risk of Conflict reports.

The Primacy Technical working group continues to develop use cases and additional primacy rules where these are required. As these rules are developed, we will incorporate them into business as usual as soon as they are required.

3. STAKEHOLDER ENGAGEMENT

3.1 Engagement overview

This year we've increased targeted sector engagement to identify barriers to participation in flexibility markets. These insights have strengthened our contracting methods and tender inclusions. This has led to 14 new providers registering on our procurement platform, five of which have participated in this year's tenders.

3.1.1 Signposting requirements

In 2024 we provided access to our tenders and documents via our website, Piclo Max and ElectronConnect platforms, to improve visibility of our requirements and provide multiple entry points to our tenders, further promoting opportunities to participate. More information on this collaboration can be found in our Distribution Flexibility Services Procurement Statement which sits alongside this report in our document library.

Following the close of each tender round, we produce a report detailing the results on our Previous Requirements page to provide clarity on the bids which were accepted/ rejected and their contract lengths. This information is published alongside a copy of the ENA Common Evaluation Methodology (CEM) and Losses Tools for each bid to provide further transparency in the procurement process, as well as giving future market participants an insight into the potential revenues they could expect to achieve by participating.

To reach wider audiences, we communicated flexibility services updates via the following channels to help ensure visibility of, and accessibility to, our requirements:

- Our website
- ElectronConnect platform
- Piclo Max 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 LinkedIn channel
- Stakeholder and Community Energy newsletters
- Network Development Plan (NDP)
- Direct to customers with assets in requirement zones
- In-person events: Joint events, industry events
- One-to-one flexibility services discussions
- Local authority bi-lateral meetings

We issued our quarterly newsletters to 350 stakeholders on our distribution list; communicating updates on current and future requirements, results of our tenders and upcoming events. We also issued regular communications to over 8,000 stakeholders via our DSO Linkedin channel.

We recently published our annual Distribution Flexibility Procurement Statement in our document library, which sets out our approach for procuring flexibility services in the upcoming regulatory year. Key topics detailed in the Statement include: distribution flexibility service requirements, criteria for participation, the dispatch of flexibility services, details of the tendering processes, stakeholder engagement, quantitative assessment, how to contact us and useful external links.

In February 2025 we published a joint press release that detailed our successful test dispatch through the ElectronConnect platform. This was the first occasion when we had delivered an end-to-end process of market identification, bidding, dispatch and settlement, substantiating the work we have undertaken since launching our tenders on the ElectronConnect platform.

3.1.2 Online resources

We continue to update our interactive flexibility map on our website with each tender round to simplify the information that we provide to stakeholders and assist them in the identification of their assets within constraint zones. The map also shows both current requirements from 2024-28 (navy icons) and forecasted requirements over the next 5-10 years (grey icons) to provide more notice of future tenders.

These forecasted sites are published within our Network Development Plan (NDP) which is a useful tool for FSPs as it shows where on the network there is insufficient capacity (for new connections and general load growth) and where flexibility services may be required in the short, medium and long term. It also provides information on how we intend to create capacity over the next ten years covering the RIIO-ED2 and RIIO-ED3 periods.

Open and accessible data is a central theme in our RIIO-ED2 Business Plan and is part of the Open Networks Project and Smart Systems and Flexibility Plan. Stakeholder engagement has been key to this, and we continue to consult our stakeholders at every opportunity on the usefulness of information and whether anything further can be provided.

With our commitment to transparency, we have an Open Data Portal which is hosted by OpenDataSoft. Here we share a wealth of data sets relating to network data, operational data, forecasting, connections and flexibility services requirements to help support our customers and stakeholders with their decision making. Users of the Portal are able to access the Embedded Capacity Register and Network Capacity Headroom Data, in a multitude of different data formats. In addition, flexibility services data hosted on the portal can be downloaded in a range of common industry standard formats including; API, KML, CSV, JSON, Shapefile, and XLSX. This allows users to incorporate this data into their own modelling and mapping systems and overlay other data sets they may already have, including their own asset maps.

We make our data transparent in order to stimulate network users to analyse and interpret our data to help them make informed decisions around flexibility services and to encourage tender participation.

We have made enhancements to how we share our flexibility related data and now provide our customers and stakeholders with a range of flexibility data specifics including dispatch data, locational data and tender outcomes.

Website

We continue to make our website a central repository for all of our flexibility services activities and updates. It contains the following sections:

- Data and Digitalisation
- Facilitating net zero
- Distribution System Operation (DSO)
- Flexibility Services
- Community and Local Energy
- Innovation

Our flexibility services portal, the Flexibility Hub, contains new publications and tools to educate and support participation in our tenders. The latest updates include:

CEM Tool V3

The new enhanced script-based AA 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 'cut-down' 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.

Flexibility Strategy

We have published our new Flexibility Strategy which outlines our ambitions and all details all aspects of flexibility services including flexible connections, flexible assets and ANM.

It also articulates the role distribution flexibility services play in the national context and how it supports transmission level constraint management. Information can be found on how, where and why we utilise flexibility services and the different products that we deploy.

These documents can be found in the document library.

3.1.3 One-to-one discussions

We recognise the important role our network users and stakeholders play in delivering flexibility services to our region and we have engaged with aggregators, local authorities, strategic partners, electricity retail suppliers and businesses of all sizes and sectors to capture a broad range of national and regional insights.

We held strategic bilateral engagements with 37 organisations across various industry sectors to encourage and facilitate flexibility participation including local authorities, strategic partners, aggregators, industrial and commercial (I&C) users. The aim of this engagement was to better understand our stakeholder needs, to create awareness around our flexibility services requirements and to learn about the experiences of taking part in our tenders.

The one-to-one sessions were designed to assist potential FSPs through the process of providing flexibility services to the Electricity North West network. Stakeholders were provided with the opportunity to pose specific questions to the team and gather the information required to successfully participate in our tenders. These sessions are available to book on our website and via the link in our newsletters.

We have incorporated direct engagement with businesses located in our requirement zones as part of our ongoing activities. We are always looking at ways to improve our engagement in more rural areas of our region to ensure that all eligible participants have equal opportunity to get involved in the flexibility market.

3.1.4 Online events

We held two DSO Functions: DFES, Data and Flexibility Services webinars in 2024. These webinars were held in June and November, in line with the launch of our bi-annual tenders. These free events are aimed at professionals in the energy industry who are looking to hear the latest from Electricity North West on the data we publish and how it can be used to help inform potential connections, interpreting our data and insights into future load growth forecasts in the region.

Covering topics such as Distribution Future Electricity Scenarios (DFES), Network Development Plan (NDP), our new Open Data Portal, and our latest flexibility services requirements, these webinars explored each area in detail and gave stakeholders the opportunity to ask our experts their questions.

June webinar
Held on 13 June. We had our biggest turnout for a DSO webinar so far with 70 external stakeholders joining on the day. Engagement was high throughout the event with lots of questions being posed to the team via chat.

November webinar
Held on 7 November. We had 62 external stakeholders. This event prompted questions around our latest flexibility services requirements and our LV products in particular.

Following each event including webinars and in-person workshops, we ensure that recordings, slides, event summaries and feedback are saved on our engagement page as a resource for potential future providers. These materials act as useful guides for our stakeholders, with easy-to-follow slides containing links to more resources and contact information. We endeavour to make our events as easy as possible for our customers to access at a time that is convenient for them.

Social DSO roundtable

This online event was held in February 2025 and consulted on our Social DSO strategy before publication in March. The content was delivered by a range of DSO team members with a strong emphasis on community energy projects and the link to flexibility services. During the session attendees were provided the opportunity to give feedback on what they had heard and provide input on key themes such as;

- What a successful Social DSO looks like
- Metrics to ascertain performance
- How stakeholders can hold Electricity North West accountable.

Local authority engagement

This year our flexibility services team members have held meetings with 13 out of 35 local authorities from across the North West. The purpose of these meetings was to provide an overview of our flexibility services requirements and deliver support and guidance on how to release capacity through analysing their property portfolio.

This approach was delivered through our regular bilateral discussions around Local Area Energy Planning (LAEP) and local growth forecast plans. We have continued our engagement throughout 2024/25 and our ambition is to involve more local authorities in our flexibility ambitions and support them in participation in our tenders.

We will continue to leverage the role that local authorities can play in delivering flexibility services whilst simultaneously supporting their decarbonisation plans. By providing dedicated DSO contacts we will deliver ongoing support to local authorities to help build relationships with key stakeholders within their organisations and provide a point of contact for them should they wish to participate in future tenders.

This engagement is carried out in line with the launch of our tenders to promote the benefits and revenue potential to asset owners located in our constraint management zones. We will continue this engagement activity as and when requirement zones change to encourage participation from both local and national players.

3.1.5 In-person events

DSO Conference, Manchester (April 2024)

Our bi-annual DSO conference was held in Manchester and was focused around DFES, Data and Flexibility Services. A variety of expert speakers from Electricity North West delivered presentations alongside external speakers from Piclo and ElectronConnect. Roundtable sessions centred on identifying and understanding the different stakeholder groups across our region, to understand key drivers and decision-making criteria for each persona type. The event attracted 107 external stakeholder attendees.

Flexibility Summit, Manchester (June 2024)

Electricity North West delivered this full day event in partnership with Flex Assure, NESO and Power Responsive. The event was hosted in Manchester and involved presentations from the Electricity North West flexibility team, Power Responsive and market-leading national aggregators. The event also delivered one-to-one workshops aimed at providing guidance and support to existing and potential FSPs, panel discussions and a Q&A session. The event was designed to attract and engage newcomers into the flexibility space, to raise awareness of opportunities in the North West and to provide information on how to participate in future flexibility tenders. The event was attended by almost 60 attendees and represented the first roadshow event for NESO and Flex Assure. The event was positively received and resulted in ongoing engagement with a number of FSPs from the region.

3. STAKEHOLDER ENGAGEMENT

3.1.5 In-person events

Piclo Flex Forum, London (July 24)

Piclo hosted this event and Electricity North West partnered as sponsors along with Northern Powergrid, SP Energy Networks and National Grid Electricity Distribution. This full day event involved presentations from the Electricity North West flexibility team who also participated in a DSO panel discussion and Q&A session. Other notable speakers included Ofgem, Elexon and DESNZ. The event also delivered break-out sessions which provided an opportunity for DSOs to engage with national FSPs and leading aggregators. This event attracted 57 attendees.

DSO Conference, Penrith (October 2024)

Following feedback from stakeholders our second bi-annual DSO conference of 2024 was held in Penrith; which focused upon a range of speakers including Electricity North West subject matter experts covering Data, DFES, Flexibility Services and Asset development. The event also included speakers from Ofgem, Lancashire and Cumberland County Councils. Workshop sessions were held in the form of a round table event the key themes covered during these sessions were Flexibility Services, Future DSO, and Connecting to the network. The event attracted 75 external stakeholder attendees.

3. STAKEHOLDER ENGAGEMENT

3.2 Feedback from engagement

Throughout 2024, we engaged with key stakeholders to hear about their experience of taking part in our tenders and better understand their challenges and overall feedback. The main objective of this activity is to stimulate more opportunities for both local and national players to participate in these growing flexibility markets. Below are the most common feedback points we received from stakeholders via 1-2-1 sessions, webinars, events, consultations and email.

Too many variations of processes, technical requirements and contracting across all the DNOs

Increased DSO flexibility services revenues would encourage more participation

Improving DSO flexibility services revenues including the ability to stack with NESO markets

More shorter-term procurement options are preferred in particular day ahead

Aligning ElectronConnect platform functionality with other DSOs for simplicity for FSPs

Our commitments:

- Maintain the lower minimum threshold for participation from at 10kW
- We continue to accept alternative metering granularity as part of our tenders such as half hourly metering granularity where minute by minute is not possible
- Remain committed to working with FSPs to work with their preferred baselining methodology
- Continue working with the rest of the industry to design a common API interface
- Maintain the Peak Reduction product for the foreseeable future
- Further standardise the functionality, processes and features of our flexibility services platform ElectronConnect
- Continue to work with other DSOs to simplify and create common processes regarding flexibility services tender participation

3. STAKEHOLDER ENGAGEMENT

3.3 2024/25 Engagement activities

Engagement	Details
Newsletters	We issued quarterly update newsletters to 341 stakeholders on our flexibility services distribution list as well as shorter newsletters throughout the year covering topics such as latest flexibility requirements, results of previous tenders, new publications, consultations and event invitations.
Direct engagement	We contacted over 15 companies located in our identified constraint zones to introduce them to flexibility services and offer advice on how to participate in our tenders.
One-to-one Discussions	We held a total of 37 one-to-one discussion sessions with both participating providers and potential providers to assist them with the process of providing flexibility to the network and answer any questions they had.
Collaborative industry events	Held in Manchester in June 2024, *Flex Forum: Reducing Barriers in Distribution Flexibility Markets* was in collaboration with Flex Assure and Power Responsive. *Piclo Flex Forum*, held in July 2024, collaborated with NGED, SPEN and NPG and hosted by Piclo. This all-day event provided stakeholders with the opportunity to collaborate with DNOs and had speakers from Elexon and market leading FSPs.
ENWL webinars	We held two DSO Functions webinars with our wider DSO team where we presented an overview of our latest flexibility requirements and how to take part.
2024/25 publications	• 2025 Ofgem C31E Distribution Flexibility Services Procurement Statement • 2025 Ofgem C31E Distribution Flexibility Services Procurement Report • Flexibility Strategy • 2024/25 tender results • Operational Decision-Making Framework • DNO-DSO Governance Framework • DSO Benefits Methodology • Social DSO Strategy
Industry webinars	Our team attended numerous industry webinars throughout the year including those held by other DNOs, NESO, Elexon, DESNZ and Ofgem and the Association of Decentralised Energy (ADE)
Industry forums and challenge groups	Our flexibility services team continued to attend weekly collaborative industry forums and challenge groups throughout the year with Ofgem, Greater Manchester Combined Authority, Energy Networks Association, NESO, Flex Assure, Elexon, Piclo & Electron Connect.
ENWL DSO conferences	Held in Manchester in April 2024 and in Penrith in October 2024. These in-person events gave DSO stakeholders the opportunity to collaborate on what they'd like to see us prioritise to ensure our DSO approach is shaped by a wide range of perspectives.

3. STAKEHOLDER ENGAGEMENT

3.4 2024/25 Industry events attended

Event name	Details
Cumbria Tourism Event, Kendal	As a strategic sponsor of Cumbria tourism, we attended this event to promote the work the we are doing to help businesses in Cumbria to decarbonise. This provided the opportunity for some of Cumbria Tourism's patrons and strategic partners to learn about flexibility services, and how to get involved. A significant proportion of the flexibility services requirements within the 2024/25 tenders were within Cumbria and the surrounding region. It is forecast that Cumbria will see one of the greatest proportioned growths in electricity demand over the next 37 years attributed to the growth in electrified heat and transport, so this event was a good opportunity to speak to stakeholders directly involved in this growth area.
Flex Forum: Reducing Barriers in Distribution Flexibility Markets *Hosted by Piclo*	This was an in-person event in collaboration with Piclo, NGED, SPEN and NPg and hosted by Piclo. All day event provided stakeholders with the opportunity to collaborate with DNOs and speakers from Ofgem, Elexon, DESNZ and market leading FSPs.
Northern Sustainability Summit *Hosted by Elevate*	We were the main sponsor at this event held in central Manchester. Expert speakers including members of Electricity North West's DSO team gave talks on the challenges and opportunities of the green revolution and explored the future of skills, transport, innovation, hospitality and all aspects of the green economy. Our flexibility services team was available on the main stand to answer questions.
Flexibility at Scale, London *Hosted by Electron Connect*	Held in London and hosted by Electron Connect, this event offered an insightful afternoon of key industry guest speakers and discussions. The event was attended by several national FSPs and DNOs and was centred around the growth in the UK flexibility market.
Cumbria Chamber of Commerce, Kendal	This event brought together over 100 regional businesses to hear about and discuss economic growth aspirations in the region. Our team exhibited at this one-day event and spoke with several businesses about our suite of flexibility services.

3. STAKEHOLDER ENGAGEMENT

3.4 2024/25 Industry events attended

Event name	Details
GM Green Summit, Manchester	Held at the Lowry Theatre in Salford and hosted by the Mayor of Greater Manchester, Andy Burnham and Greater Manchester Combined Authority (GMCA). The summit aim set an ambitious target for the region over the next five years, and also featured a selection of speeches from climate experts. Members of our flexibility services team were available on the ENWL stand to meet others determined to drive change and help the city region meet its ambitious goals for the environment with panels, workshops networking and exhibition stands showcasing challenges, solutions and opportunities.
Utility Week Future Networks, Birmingham	Members of the team were exhibiting and speaking at the event which gathered together FSPs, DSOs , NESO, DER owners and local authorities. Our speaker covered whole system thinking, unblocking connection queues for low carbon technologies and the resilience of electricity networks.
Utility Week Live, Birmingham	This two-day event, attended by members of our flexibility services team, attracted a wide and diverse range of speakers, exhibitors and visitors representing all aspects of the UK flexibility value and supply chains from DSOs and FSPs to energy retail suppliers. Electricity North West was also shortlisted for the 'Best use of flexibility data' award in partnership with ElectronConnect.
Distributed Energy Show, Birmingham	This two-day event played host to expert speakers and exhibitors from across the energy industry including DESNZ, Ofgem, NESO, DNOs, aggregators, consultants, suppliers and investors. The conference was focused on increasing the levels of Distributed Energy produced and purchased within the UK. Electricity North West exhibited at the event, attendees could visit and learn about flexibility services, as well as other topics such as how to connect low carbon technologies to our network.

3. STAKEHOLDER ENGAGEMENT

3.5 Information provision to stakeholders during a tender process

For our spring and autumn 2024/25 tenders, we provided information to stakeholders at the three stages of procurement: pre-tender to signpost and communicate requirements; during the tender to promote participation and post-tender to communicate results.

Pre-tender | During tender | Post- tender

- Details of future forecasts of requirements are provided via the interactive map on the Flexibility Services Hub and on the Open Data Portal.
- Indicative timelines for future tenders are highlighted on the 'flexibility timeline' hosted on the ENA Open Networks website.
- Our pre-tender notice is issued on the Find a tender website. This notifies prospective participants that we are going to issue a Flexibility Services tender within the next month.
- A wide range of information is available in our flexibility services document library that allows stakeholders to understand the tender process, and to look at previous tenders. This allows them to understand the process from start to finish as well as seeing the levels of bids we have previously accepted.
- We publish all of our flexibility services webinar recordings on Youtube and on our engagement page as a handy resource for stakeholders to watch at a time that suits them. Our bi-annual webinars provide an introduction to flexibility services, an overview of our current requirements, and the steps to follow to participate in our tenders.
- In addition to our quarterly newsletters, we issue regular updates to 350 stakeholders on our mailing list to communicate upcoming tenders, results of previous tenders, event information and helpful tools and publications. We encourage anyone interested in flexibility services to sign up to this list to be the first to hear about our latest requirements.

Pre-tender | **During tender** | Post- tender

- Invitation to tender, associated appendices and flexibility map are published on the ENWL Latest Requirements webpage.
- Tender requirements and ITT appendices were uploaded to the PicloMax platform and ElectronConnect platform. Requirements were promoted via Piclo and ElectronConnect social media channels and newsletters, and all parties with registered assets within an active tender zone are notified via automated messaging.
- All parties registered to our flexibility services mailing list receive emails to notify them of an active tender, as well as regular updates through the tender process to remind them to participate.

3. STAKEHOLDER ENGAGEMENT

Pre-tender | During tender | Post- tender

- We provide regular updates via Electricity North West's Community and Local Energy and Stakeholder Engagement newsletters to reach wider audiences who may be interested in learning more about flexibility services.
- Social media updates are posted on Electricity North West's social media channels including Linked in during an active tender to reach new and existing customers.
- We advertise via other partners and stakeholder communities we belong to and their own mailing lists and channels e.g. ElectronConnect.
- We hosted a webinar alongside our wider DSO team to introduce stakeholders to flexibility services, guide them through the process of how to get involved, promote the active tender, provide updates on industry collaboration and standardisation, and give stakeholders the opportunity to ask questions. Our previously held webinars are available to view on our Engagement page to allow new stakeholders to catch up on our flexibility journey.
- We provide custom support for stakeholders via one-to-one discussions to discuss their individual assets and how to get involved.
- We welcome and respond to queries sent to our flexible.contracts@enwl.co.uk mailbox to assist stakeholders during the tender process and provide them with the information needed to submit a tender response.

Pre-tender | During tender | Post- tender

- We notified participants of the outcome of their technical qualification and bids via the Piclo Max and ElectronConnect platforms, also providing reasons for the decision.
- We publish the results of the tender on our tender webpage and archive past tenders on our Previous Requirements webpage. We also communicate the results to our mailing list as part of our newsletter updates. This allows for transparency in decision making, as well as providing useful information for future tender participants.
- We communicate with successful participants who had their bids accepted, to arrange for contract signing and integration into the dispatch and settlement systems.

3. STAKEHOLDER ENGAGEMENT

3.6 Collaboration

As an active participant of the Energy Networks Association's (ENA) Open Networks Project, we co-ordinated with the other UK DNOs, the National Electricity System Operator (NESO), the Department for Energy Security and Net Zero (DESNZ), Elexon, Ofgem and the Transmission Operators (TOs) throughout 2024, adopting consistent approaches informed by stakeholders across the entire flexibility process as we work together to facilitate decarbonisation across Great Britain.

This year a key objective was to identify and agree upon the standardisation of flexibility products and definitions to enable FSPs to more easily identify the services they're best placed to offer, based on a more streamlined selection of products. Full details of the work products and intended deliverables can be found in the 2023 launch document.

There are regular opportunities for stakeholders to provide input into the proposals and to shape the future work structure of the Open Networks Project. Engagement opportunities are provided through product specific webinars, workstream consultations, a stakeholder advisory group, a challenge group, one-to-one opportunities for feedback, and presentations at conferences. Generally, stakeholders have been supportive of the work that as an industry we have been carrying out to standardise the processes and engagement surrounding flexibility services.

3. STAKEHOLDER ENGAGEMENT

We have continued to support the Open Networks Project, providing a representative to all products and governance meetings to ensure our stakeholder's views and interests are supported through the work to standardise the flexibility services integration into Distribution System Operation. Below is an overview of each product and progress made against objectives in 2024/25 followed by a progress summary table.

Planning and Network Development

Distributed Energy Resource (DER) Visibility/TIDE

The Distributed Energy Resource (DER) visibility working group was tasked with harmonising the DER monitoring and control requirements at the connection interface for distributed energy resource (DER) connections across different DNOs.

Following the work carried out in 2023 the technical working group has submitted a proposal to the Distribution Code working group to modify the DCode to include a list of data points that customers under DER under Active Network Management (ANM)/ Distributed Energy Resources Management System (DERMS) might be required to exchange with the DNO. This was in response to the feedback received by developers connecting DERs across different regions of GB, suggesting a harmonised data exchange list.

The DER visibility working group worked in collaboration with the NESO, via the TIDE project, to produce a template and process for carrying out an impact assessment on enhanced data collection and sharing to enable whole system improved visibility of DER data.

This working group will be transferred to the Future Networks Project in 2025/26.

DFES (System Forecasting)

The DFES working group has worked collaboratively to carry out an analysis of how the different DNOs create their Distribution Future Energy Scenarios (DFES) and look to create consistency across the different processes and reports.

The working group has managed to establish alignment in the name and basis of scenarios and there is also a good agreement in the application of local energy planning information to create highly spatial specific forecasts. All DNOs follow a common methodology framework and, whilst there is room to further standardise the DFES methodology, DNOs also have and use opportunities for innovative enhancements.

The introduction of the National Energy System Operator's Regional Energy Strategic Plans (RESP), which will deliver consistent regional strategic pathways, is an opportunity for DNOs to further collaborate to enhance DFES processes. The creation of Regional Energy Strategic Plans is expected to introduce an alternative future regional energy pathway and a new input to DNOs' investment planning. The interplay between the RESP pathway and DFES requires further consideration.

3. STAKEHOLDER ENGAGEMENT

Network Operation

Primacy Rules

The Primacy rules technical working group in 2024/25 took a more holistic approach to the analysis of potential conflict use cases and primacy rules. This change in approach followed widescale changes in NESO flexibility market products, restrictions in the availability of data, as well as stakeholder feedback that a faster pace of development was desirable. The technical working group appointed Baringa to carry out a review of the overriding causes of conflict and to provide recommendations for potential overriding primacy rules.

Developing on the principles and rules developed in previous years the technical working group has agreed upon utilising two core states of primacy that cover off four potential use cases. These are where the DSO has primacy, and where the NESO has primacy.

The technical working group will now focus upon enabling a greater level of data sharing which will enable the implementation of the proposed rules. There will also be a focus on developing the necessary systems and processes in order to deliver the primacy rules.

This working group will in 2025/26 be transferred to being led by Elexon in its new role as Market Facilitator.

Dispatch Systems Interoperability

The Dispatch Systems Interoperability workstream carries on the work to develop a UK standard API for flexible services dispatch. The technical working group carried out a consultation with stakeholders to determine the necessary requirements for an API standard. Ensuring the balance of: security, accessibility, ease of implementation, and future proofing; Open ADR 3.0 framework was identified as the preferred solution to develop the UK standard upon. Following this CGI have appointed alongside PNDC and the Open ADR Alliance to develop the UK standard.

Within the next year the working group will continue to work with stakeholders to develop and implement the standard API.

This working group will in 2025/26 be transferred to being led by Elexon in its new role as market facilitator.

Operational Data Sharing

The Operational Data Sharing technical working groups are focussed upon identifying the data items that should be shared within operational timescales between network operators, system operators, and external stakeholders to improve whole system working. Within the year the working group developed a framework for the majority of network assets, relevant DER associated monitoring data, flexibility data, as well as control systems information. These frameworks provide a template for the sharing of data via ICCP links that are being established by the NESO to DNOs and TOs. The frameworks are designed to be utilised at all levels of the electricity network. Following the development of the frameworks the working group are now focusing upon moving to implementation of the utilisation of the templates to share data in operational timescales via ICCP links. The working group has decided to prioritise the data exchanges at the boundary interfaces between transmission and distribution networks first. The delivery of data sharing will be prioritised based upon the impact assessments that are being carried out under the TIDE project, as well as where other work programs have already identified the business case to share operational data (E.g. technical limits, MW dispatch, primacy rules).

This working group will be transferred to the Future Networks Project in 2025/26.

Market Development

Flexibility Products and Stacking

This working group has been focused up three key themes:

- Flexibility products - a review of existing standard flexibility products to identify opportunities for retiring individual products was completed by October 2024. Recommendations to retire products (Peak Reduction) were put forward to the steering group. Electricity North West opted against retiring the Peak Reduction service and committed to retaining this and assessing its effectiveness at a later date.
- Revenue stacking - review and mapping of revenue stacking for flexibility services and creating a revenue stacking tool.
- Barriers to remove stacking - analysing barriers to revenue stacking, prioritising by impact and difficulty, identifying root causes, proposing solutions and ideas and agreeing a plan. Quick wins were to be implemented by October 2024. An implementation plan for longer term solutions that address high priority barriers to revenue stacking DSO and NESO services was defined in December 2024.

To substantiate the above themes the group sought wider stakeholder engagement from FSPs to gain feedback on the priorities of short and long-term plans.

3. STAKEHOLDER ENGAGEMENT

Baselining

This working group was formed in July 2024 and Electricity North West has participated since inception. The aim of this group is to improve and standardise the baselining methodologies utilised for flexibility services across all networks. To achieve this a key focus is to understand and gain insights from a diverse range of stakeholders. Leveraging this feedback the objective of the group is to agree a standardised set of baselining methodologies that addresses all flexible resource/DER technology types and covers all variations of metering standards. The activities of this group are as follows:

- Existing methodology review - work has been completed to understand the current position of all DSO baselining methodologies and to explore the viability of aligning to a common set of methodologies indexed with technology types.

- Standardisation of variables, methodologies, rules and processes - focus on gaining agreed target level of standardisation of baseline methodologies, timings of when baselines are agreed with FSPs, baseline accuracy thresholds, breaching of thresholds, communication to FSPs on how baselines are calculated.

- Enduring governance - agreement on approach for ongoing management of baseline methodologies Building a framework of governance to ensure any implemented rules and processes are adhered to across the DSO flexibility services space.

- Market engagement - a consultation/focus group was held in December 2024 with a range of national FSPs to gain insights and understanding on how to increase market participation and specifically the role of baselining. The working group is focused upon exploring all asset types across both commercial and domestic flexibility markets with a view to using the views of the market to feed into the working group outcomes. A second workshop was held in February 2025 to test potential baselining methodologies with key market players.

The group is in the process of gathering the findings in order to produce a report for ENA Open Networks Steering Group approval.

Settlement Processes

Throughout 2024 Electricity North West was represented at the settlement processes technical working group which was aiming to deliver alignment and standardisation on a number of elements linked to flexibility services settlement. The importance of standardisation in the settlement process brings a range of benefits to FSPs regardless of which DSO they are providing flexibility services to. The core ‘tranche 3’ workstreams were as follows:

- **Payment mechanics, settlement methodology and calculations** - a standard set of payment mechanics for both Availability and Utilisation have been developed. These payment mechanics will be used across all current flexibility products and are designed to be configurable with any potential products that are created in the future.

- **Settlement process steps** - all DSOs have created and agreed upon a process flow for settlement with FSPs. The process flow encapsulates all stages of the settlement process from the entering of baseline data to payment to FSPs. This has also been communicated to FSPs by detailing the process in the Standard Flexibility Agreement (version 3) and we included this in our autumn 2024 tender round.

- **Grace factors** - DSO alignment on grace factors associated with performance calculation equations was implemented for our autumn 24 tender**.** There is a view that by fixing the grace factors it could stagnate the market if they are too onerous or could prevent DNOs trying new methods to support FSPs and markets. Therefore, we are adopting the approach that DNOs need to align their grace factors to 80% of their flexibility services, meaning that DNOs still can be innovative when launching new products or when trying to increase liquidity. The settlement working group has recommended having a follow up in April 2025 to review the grace factors and how they are operating.

- **Performance data feedback** - the group agreed upon a minimum set of data to be included in a performance report. This report will be delivered to FSPs via our flexibility platform provider ElectronConnect following a successful call off of flexibility services procurement across all product types.

- **Service Terms wording pertaining to the Standard Flexibility Agreement** - all DSOs agreed upon a standardised set of wording for the overarching agreement for the settlement calculations.

All of the above workstreams were completed and compiled into a report. The outcomes were implemented in November 2024 and required the involvement of our platform provider ElectronConnect to ensure they were functional and deliverable to FSPs.

Common Evaluation Methodology (CEM)

Following stakeholder feedback on the CEM Tool and Methodology it was identified that there were desirable improvements, as well as bug fixes to the tool required. The technical working group appointed Baringa to address the feedback provided. As part of this work it also became apparent that there was some divergence in how DNOs were utilising the CEM tool and so, to address this, improved guidance documents were delivered to improve upon standardisation.

ENWL has, as part of the refresh of the Real Options Cost Benefit Analysis Model, developed a python version of the CEM tool. This Python code has been shared with the working group to automate the CEM analysis process. The working group is now developing the appropriate user guides and support processes to adopt the python code into business-as-usual activities.

This working group will be transferred to the Future Networks Project in 2025/26.

3. STAKEHOLDER ENGAGEMENT

ENA Open Networks Project summary of updates table - Flexibility Services	
Product	**2024/25 Update**
Baselining	The working group was formed in September 2024. The group is working on a standardised set of baselining methodologies based on technology type and whether the assets are commercial or domestic. It will be proposed that a default baselining methodology will be deployed unless the FSP can substantiate a reason for an alternative baselining methodology delivering consistency for FSPs across all DSO flexibility services
DFES (System Forecasting)	Carried out an analysis of how the different DNOs create their Distribution Future Energy Scenarios (DFES), and looked to create consistency across the different processes and reports
DER Visibility	Following the development of a recommendation for a list of monitoring and control data points which will allow us to unlock significant customer benefits, a recommendation for modifications to the DCode has been submitted. An impact assessment template and methodology have been drafted in association with the NESO TIDE project
CEM & Tool	A revision of the CEM tool has been published addressing feedback from stakeholders. ENWL have shared Python code working group that we have internally developed to automate the CEM analysis process We will continue to utilise the tool to calculate a ceiling price for each requirement zone in our tenders and evaluate FSPS bids
Operational data sharing	Following the development of data sharing frameworks for operational data transfers the working group will start the delivery of implementation of data sharing via ICCP links. In many cases DNOs are awaiting NESO to complete the delivery of ICCP links before this can commence. Initial data sharing will be prioritised based upon boundary data transfers as well as where existing business use cases for operational data sharing have identified a priority need
Dispatch systems interoperability	Following an assessment incorporating stakeholder feedback Open ADR 3.0 has been agreed to act as the framework for the UK standard API. CGI, PNDC, and the Open ADR alliance have been appointed to collaborative work with the ENA to develop the UK dispatch API standard
Primacy rules	A review of the overriding causes of conflict was carried out, which provided recommendations for potential overarching primacy rules. The technical working group have agreed upon utilising two core states of primacy that cover off four potential use cases. These are where the DSO has primacy, and where the NESO has primacy. Work has begun to develop enhanced data sharing that processes required to enable the primacy rules to be implemented
Flexibility products	A new set of five core flexibility products were developed in 2023 and Electricity North West adopted three (3) of the new standard product names and parameters within the spring 2024 tender and four (4) standard product names and parameters in the autumn 2024 tender
Settlement process	A number of elements of the settlement process were standardised in 2024/25 including: metering, payments and parameters, contract service wording and calculations

3. STAKEHOLDER ENGAGEMENT

3.7 Key information locations

Stakeholders can find the vast majority of information relating to flexibility services via our website. Below is a categorised list with links to our helpful guides for anyone new to the market, engagement links to catch up on our journey since 2018, how to get in touch with the team, DSO data publications related to flexibility services, useful industry website links and annual publications detailing our approach to procuring flexibility services and the outcomes of our tenders.

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 (4) 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 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	Resource for stakeholders to keep up to date on flexibility services including flexibility tenders, publications and 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	Enabling stakeholders to view our upcoming flexibility events and registration details

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
ENWL Business Plan 2023-28	This plan sets out our commitment to Net Zero, innovation and efficiency for the RIIO-ED2 Period

3.8 Useful links

Flexibility Strategy	Provides stakeholders with a detailed overview of our current and future flexibility ambitions
Tender results	All details of our requirements from 2018 including Invitation to Tender documents, results and Expressions of Interest

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
Distribution Future Electricity Scenarios Report (DFES)	Presents well-informed future trends across the North West for the electrification of transport and heating, the penetration of local distributed generation and storage, the future effects of hydrogen and 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
Operational 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
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
Ofgem	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) website	The website of the industry body that representing energy network operators in the UK and Ireland
Department for Energy Security and Net Zero	The former Business, Energy and Industrial Strategy (BEIS) Department was split into the Energy Security and Net Zero Department in February 2023

4. ECONOMIC VIABILITY

4.1 Assessing flexibility services requirements

As set out in our Distribution Flexibility Services Procurement Statement we take a 'flexibility first' approach, in that we promote flexibility as an efficient solution for network capacity provision and seek to deploy it at all opportunities where it is robust and economic to do so. As a result, for every capacity requirement detailed in our Network Development Plan (NDP) that can be technically released via flexibility services 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 for flexibility services providers and it demonstrates our approach of not foreclosing a flexibility services or energy efficiency opportunity before the market has been fully tested for a response.

Full details of how we assess network options are set out in our DNOA methodology, and the outcomes of our network options assessments for each tender, using the ENA's Common Evaluation Methodology tool, are published on our website.

4.2 Participation in the 2024/25 tenders

To participate in our 2024/25 procurement rounds, FSPs were required to complete the following steps on either the ElectronConnect or Piclo Max platforms:

- Sign up to the Piclo Max or Electron Connect platforms and complete commercial qualification
- Register assets or update existing asset information
- Confirm participation of selected asset(s) or withdraw asset(s) from competitions(s)
- Assuming Providers were accepted, they could submit a bid for the provision of flexibility services.

From the spring 2025 tender, we will be utilising the ElectronConnect platform. The ElectronConnect platform is an end-to-end solution for FSPs to participate; from onboarding through to dispatch and settlement.

4.2.1 Criteria for participation

To participate in Electricity North West's flexibility services tenders, the FSP needed 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 maps provided on our website and on the Electron Connect & Piclo platforms 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 needs to be at least 10kW (flexibility capability and not capacity).

c) The provider should be able to deliver and manage, upon the Company'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 PicloFlex prior to the opening of the bidding window to allow us to confirm the prospective DER are technically compliant with these requirements.

4.2.2 Pre-qualification

In order to participate in Electricity North West tenders, providers were required to create an account on PicloFlex and or ElectronConnect and complete commercial qualification, register their assets or update existing assets, and confirm entry of selected assets into the competition via the platform. Participants were asked as part of asset qualification if they participate in any other markets, if they are able to receive and act upon a dispatch signal, and in the case of planned assets; the timeline for their energisation. These checks allowed us to verify a participants financial and technical suitability to participate in a DNO flexibility service. Providers were asked to provide supplementary evidence in the event that their commercial or technical checks returned a negative or inconclusive result.

4.3 Assessment of bids

Since January 2022 we have been utilising the Common Evaluation Methodology (CEM) and Tool to determine the most suitable solution to meet the network needs; comparing traditional asset reinforcement to procuring flexibility services, 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 Distribution Future Electricity Scenarios (DFES) scenarios to identify the most cost-effective solution and proposes optimum contract length. Based on the format of the Ofgem Cost Benefit Analysis (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 (Peak Reduction, Scheduled Utilisation, Operational Utilisation & Operational Utilisation + Variable Availability) 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.

4. ECONOMIC VIABILITY

To demonstrate our commitment to procuring flexibility in an open and transparent manner, we publish a high level summary table on our previous requirement page following each tender round, along with a more detailed analysis of the valuations for each requirement zone. The results for the 2024/25 tenders can be found in the Previous Requirements section of our website.

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. The prices for each requirement are published on our flexibility map and within *Appendix 3- Site Requirements* as part of our suite of tender documentation on our latest requirement page in addition to being published on ElectronConnect.

We evaluate the provider's bid against the capacity and duration of service that they are offering, as well as the bid price vs the CEM tools financial evaluation of the ceiling price. Bids which exceed the ceiling price are rejected as these are viewed as not offering value for money. During the assessment period, we may hold a Post Quotation Negotiation or Best and Final Offer meeting with successful bidders.

On occasions where it was not possible to contract for the required capacity within a tender, these requirements were re-published in the following tender; where it was still reasonably practical to defer network reinforcement.

4.4 Whole system considerations and benefits

Demand reduction services procured on the DNO network are generally viewed to have a positive impact regarding the Whole Electricity System. By incentivising participants to reduce overall network capacity this reduces the amount of network reinforcement required on the distribution network. This provides a cascade effect to the wider whole electricity system; reducing demand at the network boundary points to the transmission network and reducing the amount of centrally dispatched (NESO) generation required within Great Britain. These savings result in cheaper energy costs to GB electricity bill payers, as well as reducing the environmental impacts associated with the generation, transmission and distribution of electricity.

The DNO flexibility market offers opportunities to network customers to gain additional revenues in return for helping the network. In some cases, we have found that this additional revenue can provide sufficient incentive to customers to permanently switch their demand usage (through energy efficiency measures) or aid them to transition to low carbon technologies e.g. electric vehicle charging, heat pumps and battery storage.

We will continue to support whole system benefits by procuring 'best value' flexibility services at distribution level to deliver flexibility to the national UK electricity system.

4.5 Dispatch of services

We dispatched a total of 4349.303 MWh of flexibility services in the last regulatory year 2024/25.

5 CARBON REPORTING

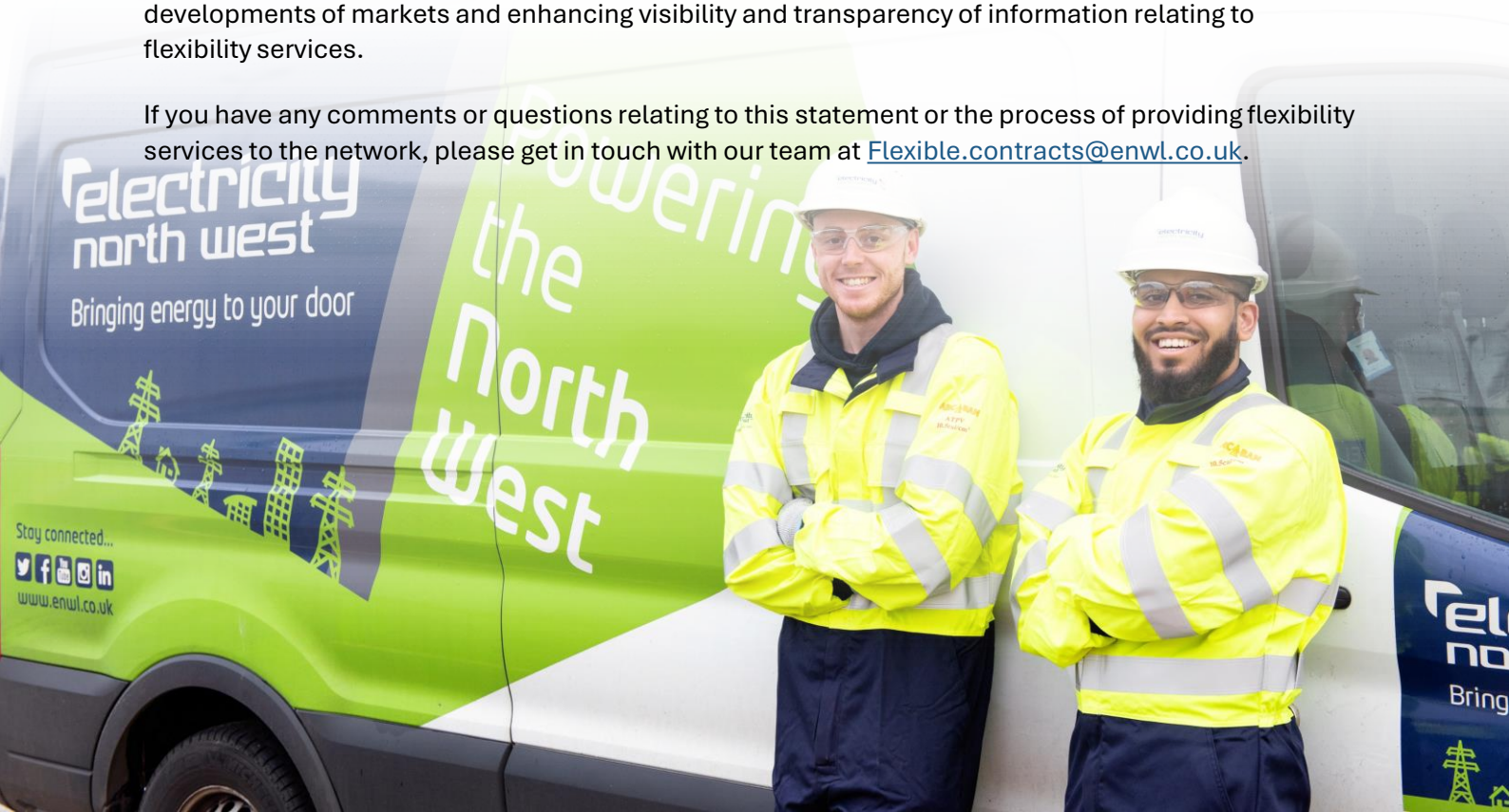
The carbon impact calculation presented in this report follows the standard ENA methodology. The calculation varies depending on whether the flexibility asset is generation, storage (export), or demand / storage (import). The impacts include direct impacts (such as burning fuel) and consequential impacts (such as demand payback) but not indirect impacts (such as embodied carbon). The conversion factors used are generally industry standard which include grid-intensity, plant efficiencies, fuel emission factors, and payback assumptions. Asset specific factors are not used to maintain consistency between DNO reports which means that the methodology reports an approximation of carbon impacts. The detailed methodology is available on the ENA website.

LC31 Technology Category	Constraint Type	Requested energy (MWh)	Delivered energy (MWh)	Direct carbon impact (kgCO2e)	Consequential carbon impact (kgCO2e)
Fossil – Gas	Generation Turn Down	4320	4320	-1,492,926.792	894,240
Stored Energy	Demand Turn Down	0.041	0.041	-8.487	8.487
Stored Energy	Demand Turn Down	11.58	11.58	-2739.5	2739.5
Stored Energy	Demand Turn Up	17.682	17.682	4183.1	-4183.1
Total		**4349.303**	**4349.303**	**-1,491,491.7**	**892,804.9**

6 CONTACT US

Our approach to procuring flexibility services 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 services.

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 Flexible.contracts@enwl.co.uk.



7 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
Department for Energy Security and Net Zero (DESNZ)	DESNZ was established in February 2023 after a government reshuffle. The new department took on the energy policy responsibilities of the former Department for Business, Energy, and Industrial Strategy (BEIS)
Dynamic Purchasing System (DPS)	An online process for contracting flexibility services on PicloFlex and ElectronConnect; DNOs advertise long term requirements and FSPs sign up to the DPS to demonstrate eligibility e.g. financial stability and technical ability, before proceeding to the competition and bidding stages
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
Electron Connect Platform	The independent marketplace for trading energy flexibility online. View active competitions, upload assets and submit bids. The platform also performs dispatch and settlement functions to deliver an end-to-end solution
Energy Networks Association (ENA)	The ENA is the industry body funded by UK gas and electricity transmission and distribution licence holders.

7 GLOSSARY

Term	Definition
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
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
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 reduce imports (consume less) when instructed by the network and receive payment in return
Flexibility Service 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. The Company will pay the Provider for the delivery of flexibility services
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 will allow us to manage the energy in the North West in real time, operating as a smart network allowing supply to meet demand. It will facilitate 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
Piclo Max Platform	The independent marketplace for trading energy flexibility online. View active competitions, upload your assets and submit bids
Transmission Network Operator (TO)	TOs own, operate and maintain the transmission networks. There are three licensed TOs in Britain, and each is responsible for a regional transmission services area