



Distribution Flexibility Service

Procurement Report for SP Distribution PLC and SP Manweb PLC

April 2024

Executive Summary

We are SP Energy Networks, we own and operate distribution networks in Southern and Central Scotland, Merseyside, Cheshire, Shropshire and North Wales. We are the only network operator to serve communities across all three governments: UK, Scottish, and Welsh. Each have bold ambitions to deliver their own sustainability and Net Zero targets. In our unique position to support these objectives, we recognise that each region has distinct opportunities and challenges. We will enable the communities we serve to meet their targets through our industry leading planning tools, processes and policies to embrace flexibility solutions, enable flexibility markets, and encourage greater flexibility market participation to unlock the network capacity to meet these needs.

Our strategic vision is to “maintain a safe, secure and reliable network by efficiently delivering the capacity our customers need to decarbonise, in the timescales they need it – so that they can use LCTs immediately and at full capacity”.

Our RIIO-ED2 plan, that commenced in April 2023, began to deliver this through a combination of flexible, smart, innovative, and conventional reinforcement interventions. We will depend on new tools and capabilities developed as part of our RIIO-ED2 DSO Strategy, including greater flexibility utilisation from evolving flexibility markets and growing market participation.

We began our Flexibility procurement in 2019 and are committed to fair and transparent procurement of flexibility services. During 2020 and 2021 we tendered flexibility services for all locations identified as requiring an intervention due to load growth during the RIIO-ED2 period (2023 to 2028). Amounting to a total of 1.5GW at

Tenders	Spring 2019	Autumn 2019	Autumn 2020	Spring 2021	Autumn 2021	Spring 2023	Autumn 2023
No. of sites	3	10	1138	1554	97	571	575
Price Control Period	ED1	ED1	ED2	ED2	ED1/ED2	ED2	ED2
MWs Tendered	116	250	960	1420	110.9	273.1	297.7
MWs Awarded	0	53.3	139.6	555	0	13.5	15.4

1,557 locations. In 2022, we reviewed our tendering activity and in 2023, we tendered for two 18 month periods in the Spring and Autumn. To date, we have accepted bids for over 700MW demonstrating our commitment to procurement of flexibility services.

Responses to our tenders were initially encouraging from 2019 until a significant downturn in our Autumn 2021 tender, in which we received bids totalling 0.2MW in response to a requirement of 98.8MW. By way of contrast, for our Spring 2021 tender, we accepted bids for 555MW in response to a requirement of 1,420MW. In 2022, we believed it was necessary to pause our scheduled flexibility tenders temporarily for 12 months to understand the challenges faced by potential market participants and to ensure our procurement and use of flexibility remains economic and efficient. During 2022, we partnered with Oxera to undertake independent research on our behalf to understand any barriers currently faced by flexibility providers. Our most recent tenders were launched in Spring 2023 and Autumn 2023. In Spring, we tendered for 273MWs and accepted bids for 13.5MWs. In Autumn, we tendered for 298MWs and accepted 15.4MWs. Similar to Autumn 2021, we experienced a low level turn out of participants in 2023.

Stakeholder engagement continues to be key to ensure the market develops and allows potential participants to understand what they can offer and ensure that they are well informed of our processes and procedures. We listened to

our Stakeholders and contracted with Piclo for a further 2 years to facilitate our tenders to include long and near real time competitions. In addition, have trailed the dispatch and settlement modules, which has provided our stakeholders with a single platform to manage all flexibility processes from procurement through to settlement.

Over the past two years we have experienced reduced participation in our flexibility tenders and a reduction in overall capacity offered. Following an internal review and feedback from various providers, we will be launching a month-ahead flexibility market this year. We will not be running additional longer term Spring and Autumn tenders for the next year to test the month ahead market. Our requirements will be published for the full ED2 period alongside the shorter term requirements for our month ahead tenders. We believe that the month ahead service could potentially increase market liquidity by ensuring convenience and increased opportunities to tender for new as well as existing FSPs. We believe that the month ahead service could potentially increase market liquidity by ensuring convenience and increased opportunities to tender for new as well as existing FSPs. We hope that nearer to real-time month ahead tenders will reduce market barriers to entry as FSPs will be able to offer robust bid prices that reflect current market prices and the assets that they have available. Additionally, we will launch ad hoc tenders to support our operational flexibility service.

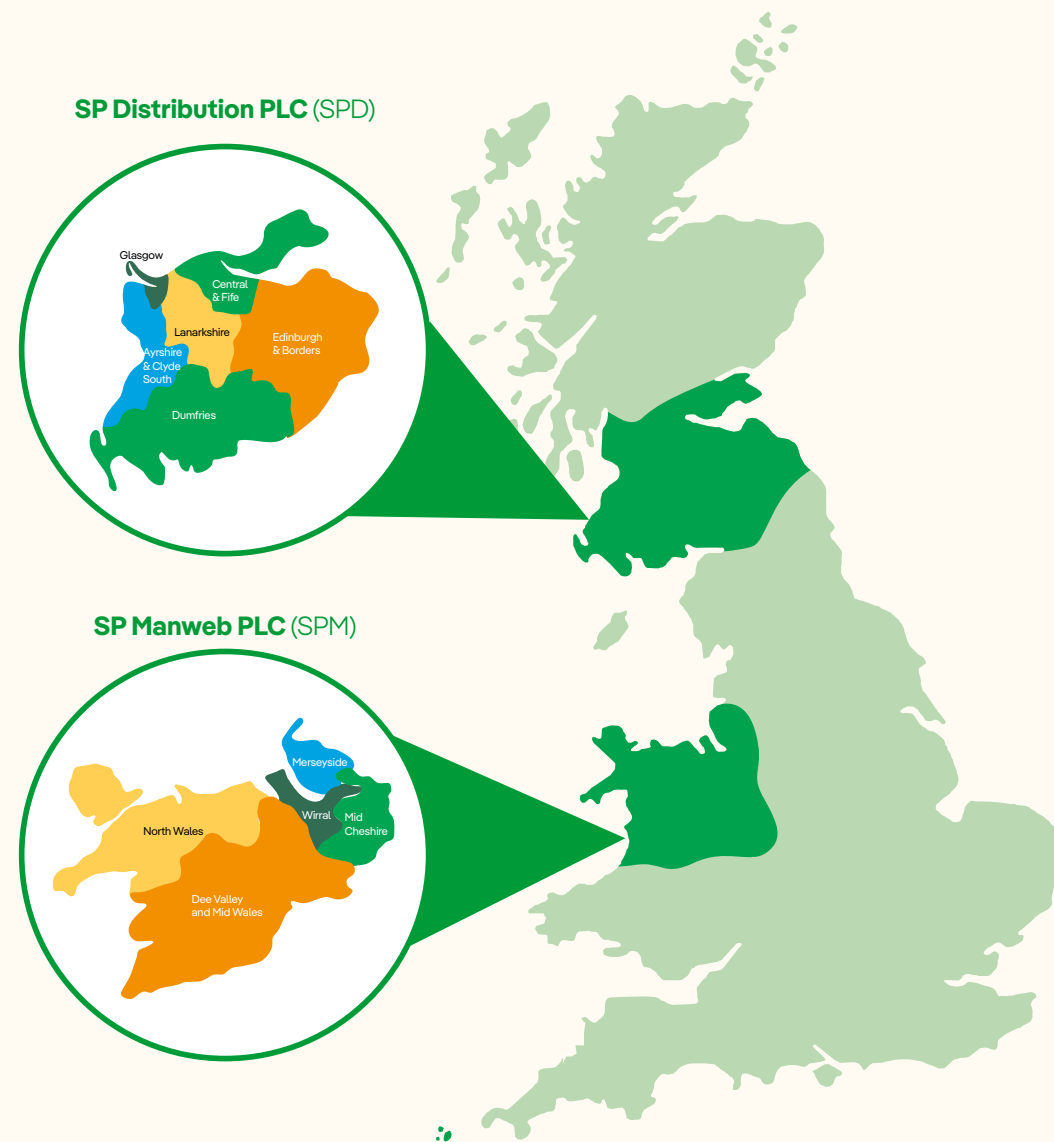
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1. Introduction

1.1. Who we are

We are SP Energy Networks (SPEN). We own and operate the electricity distribution network in Central and Southern Scotland (our SP Distribution network, SPD), and in North Wales, Merseyside, Cheshire and North Shropshire (our SP Manweb network, SPM). It is through these two networks of underground cables, overhead lines and substations that we provide 3.5 million homes, businesses and public services with a safe, economical and reliable supply of electricity.



This document has been prepared by us in accordance with the requirements of our Licence issued under the Electricity Act 1989 (as amended) ('the Act'), specifically Condition 31E. It sets out the Distribution Flexibility Services which SPEN has tendered for, contracted and dispatched in the period of 12 months preceding the Annual Submission Date (1st April 2023), and is structured as per the guidance provided by Ofgem in February 2024.



1.2. Our Flexibility Approach

Our strategic vision is to “maintain a safe, secure and reliable network by efficiently delivering the capacity our customers need to decarbonise, in the timescales they need it – so that they can use LCTs immediately and at full capacity”.

We will deliver this vision through flexible, smart, innovative, and conventional reinforcement interventions. We will depend on the new tools and capabilities that our DSO Strategy¹ will give us, not least higher flexibility utilisation from more efficient, co-ordinated, and competitive flexibility markets.

We began tendering for flexibility services in 2019, but the level of services required increased significantly in 2020, when we tendered for all locations with manageable constraints arising from forecast load growth during the RIIO-ED2 period (2023 to 2028). We sought a total of 1.5GW of flexibility services at 1,557 locations across our two licence areas and covering all voltage levels.

In 2022 and 2023, we developed the structure, policies and procedures required to maximise future flexibility market participation, and maximise the benefits of flexibility and enable close to real time procurement and operation. Last year we facilitated two tender cycles in Spring and Autumn 2023. We accepted 36MW of bidded capacity to support our network up until November 2025. However, we did not manage to fulfil our total required flexibility capacity in our 2023 Spring and Autumn tender cycles.

Following stakeholder feedback, we identified a number of factors that affected potential FSPs participation in the Spring and Autumn 2023 tender rounds including but not limited to;

- Participation in other flexibility markets with contract restrictions on stackability
- Preference for shorter-term tenders and commitments
- Smaller generators unable to meet the minimum MW threshold capacity of 0.5MW
- Participation in the ESO’s Demand Flexibility Service (DFS) prevented potential providers from offering further flexibility services to the DNO flexibility market.

Going forward, we will be re-tendering for any shortfall in our existing network flexibility requirements and any new identified requirements from June of 2024 onwards with shorter term and closer to real time tenders. Over the past few months, we have been developing our new month-ahead operating model which will be launched in June 2024. A new Standardised Framework Agreement is in development in collaboration with the ENA Open Networks Project. This Agreement is a key deliverable ahead of our month ahead market going live. Following the launch of the

new Framework Agreement, it is our intention to tender on a monthly basis which will allow for agile closer to real time tendering activity. The month by month tender windows will allow more opportunity for new and existing FSPs to tender when the timing is appropriate for FSPs and to bid in using assets they have available. We also hope that this operating model will allow increased collaboration with our control centre to dispatch on a more frequent and real-time basis if market liquidity improves as a result.

We are expanding our Flexibility team to bring in new skills and resources required to deliver our ambitious flexibility forecasts. We will be recommending recruitment activity this year to expand our resources to facilitate our new dynamic tender operating model and further support our two teams:

- Flexibility Procurement team, who are responsible for transparent and market-based procurement of flexibility services to meet our business needs.
- Flexibility Performance team, who are responsible for the operation of our flexibility services, including forecasting, contract management, budgeting, dispatch, verification and settlement.

As outlined in our last Procurement Statement, we have continued to follow our impartial and fair processes when identifying our flexibility requirements, following the same assessment process and using the same tools we used to produce our RIIO-ED2 Investment Plan. Our unbiased approach when assessing types of interventions was endorsed by Ofgem as we were the DNO with the highest number of approved EJPs² submitted as part of the RIIO-ED2 Business Plan.



1.3. Flexibility Activities in the Reporting Year

Activity	Details
Spring 2023 and Autumn 2023 Tenders	We facilitated two tender cycles in Spring and Autumn 2023. We accepted 36MW of bidded capacity to support our network up until November 2025. In Spring, we tendered for 273MWs and accepted bids for 13.5MWs. In Autumn, we tendered for 298MWs and accepted 15.4MWs.
Development of new operating model	Following internal review and stakeholder feedback and FSP’s preference for shorter-term and closer to real time flexibility markets, we decided in Q4 2023 that we will evolve our procurement strategy to a month-ahead operating model commencing in May 2024. We have been working on our processes, documentation and structures over the past few months to prepare for the launch of our new month-ahead flexibility service.
New Flexibility Framework Agreement	In 2023, the ENA Open Networks project has been working to develop a overarching agreement, moving towards alignment with the ESO process for procuring services. We will be implementing this agreement for our next tender launch as soon as the agreement is finalised and published.
Platforms	In 2023 we contracted with Piclo to test their end-to-end platform to allow procurement, dispatch, verification and settlement. Not only will this help to lower barriers going forward by requiring FSPs to access only one system, it will also enable the near real time procurement and operation of flexibility services that we will be implanting in 2024.
Investigating Barriers	We have been engaging with our stakeholders to understand the barriers to participation in our flexibility markets throughout 2023. Through one to one surgeries with various providers and wider stakeholder engagement we received various insights into how participation can be improved going forward. In 2024, we are acting on the feedback received by moving towards shorter term markets and developing a market prospectus to provide more market confidence for potential participants in our flexibility market.
Industry	SPEN are represented on all workstreams within Open Networks, contributing to the development and alignment of procurement and use of Flexibility Services alongside other DNOs and the ESO to improve whole system coordination. In 2023, our Flexibility Procurement Manager was co-lead with the ESO of the Standard Contract Technical Working Group, and our Flexibility Performance Manager was co-lead of the Products Technical Working Group. We ensure our processes are aligned with the good practices already identified and the new processes implemented.
Team Structure	We expanded our Flexibility team in 2023 to bring in new skills and resources required to deliver our ambitious flexibility forecasts. We will be continuing our recruitment activity in 2024 to expand our resources and facilitating our new agile tender operating model and further support our two teams; the Flexibility Procurement team and the Flexibility Performance team.

6 ¹ [Annex 4A.3 - DSO Strategy.pdf \(spenergynetworks.co.uk\)](#)
² Engineering Justification Papers. For each major intervention, these capture the intervention options considered and the justification for our proposed solution.

2. Flexibility Procurement and Use Summary

2.1. Flexibility Services Procurement

To date, we have looked to procure the Flexibility Services via long term contracts, namely:

Tenders	Price Control Period	Period Cover
Spring 2019	ED1	2019/20
Autumn 2019	ED1	2020/21, 2021/22, 2022/23
Autumn 2020	ED2	2023/24, to 2027/28 inclusive
Spring 2021	ED2	2023/24, to 2027/28 inclusive
Autumn 2021	ED1 & ED2	2022/23 and 2023/24
Spring 2023	ED2	2023/24 to 2024/25
Autumn 2023	ED2	2023/24 to 2024/25

2.2. Flexibility Contracted For Use In The Reporting Year

The below tables demonstrates the flexible capacity tendered and contracted for use in the reporting year. The tendered figures include peak capacity figures tendered in previous years to use in the year 23/24.

Product	Voltage	Peak Capacity Required 23/24 (MW)	Peak Capacity Tendered in 23/24 (MW)	Total Contracted in 23/24 (MW)	Total Capacity Dispatched (MW)	Comments
Restore	33kV	116MW	116MW	1.7MW	-	Part capacity met
		(3 Locations)	(3 Locations)	(2 Locations)		
Secure	11kV & 33kV	64.7MW	64.7MW	32.6	17.3MW	Part capacity met
		(35 Locations)	(35 Locations)	(30 Locations)	(7 Locations)	
Sustain	LV, 11kV & 33kV	30.4MW	30.4MW	12.8	3.11	
		(20 Locations)	(20 Locations)	(12 Locations)	(1 Location)	

(Full details are included with the template appended to this Report)

2.3. Flexibility Not Contracted

Tender	Licence	Constraint Location	Product	Voltage	Service Period	Capacity Required (MW)	Contracted Bid (MW)
Autumn 2020	SP Distribution plc	Cupar	Restore	33	23/24	35.807	0
Autumn 2020	SP Distribution plc	Levenbank	Sustain	11	23/24	1.013	0
Autumn 2020	SP Distribution plc	Larbert	Sustain	11	23/24	0.853	0
Autumn 2020	SP Distribution plc	Tranent	Sustain	11	23/24	1.025	0
Autumn 2020	SP Manweb plc	Aberystwyth-Rhydlydan	Sustain	33	23/24	1.375	0
Autumn 2020	SP Manweb plc	Newtown-Morda-Oswestry	Sustain	33	23/24	5.943	0
Autumn 2020	SP Manweb plc	Formby-Southport	Sustain	33	23/24	2.25	0
Autumn 2020	SP Manweb plc	Acer Avenue	Sustain	11	23/24	0.28	0
Autumn 2020	SP Manweb plc	Middlewich	Sustain	11	23/24	0.79	0
Spring 2021	SP Distribution plc	Thistle Court	Secure	11	23/24	1.411	0
Spring 2021	SP Manweb plc	Dutton - Moore - Percival Lane	Secure	11	23/24	2.548	0
Spring 2023	SP Distribution plc	Troon	Secure	11	23/24	0.388	0
Spring 2023	SP Manweb plc	Johnstown	Secure	11	23/24	0.031	0
Spring 2023	SP Manweb plc	Manor Pk-Norton	Secure	11	23/24	0.417	0

In addition, we tendered for the following sites for services for use during the Reporting Year but were unable to place contracts:

FSPs submitted bids that we accepted but could not contract as they were unable to recruit the forecasted planned assets with the required capacity that was noted in their initial bid. In 2024, FSPs will only be able to bid with operational assets in the shorter term tender as all tenders will procure flexibility in nearer to real-time.

We experienced generally low levels of participation in the last two tenders. Stakeholders noted shorter term tenders are preferable to provide more accurate and robust bid prices alongside the ability to take part in a range of market opportunities.



2.4. Flexibility Tenders Issued and Results

Building on our tenders issued between 2019 for requirements during the latter years of ED1 (2020- 2023), we issued flexibility tenders for each network constraint identified during the RII0-ED2 period (2023 – 2028), looking to procure a total of 1.5GW across 1,557 locations.

Tenders	Spring 2019	Autumn 2019	Autumn 2020	Spring 2021	Autumn 2021	Spring 2023	Autumn 2023
No. of sites	3	10	1138	1554	97	571	575
Price Control Period	ED1	ED1	ED2	ED2	ED1/ED2	ED2	ED2
MWs Tendered	116	250	960	1420	110.9	273.1	297.7

To date, we have contracted with FSPs on a bilateral basis following the acceptance of bids, with most FSPs offering services from planned assets. We have experienced a reduction in contracted capacity compared to accepted bids as FSPs confirm what they are confident to deliver:

Capacity	2023/24	2024/25	2025/26	2026/27	2027/28
Accepted Bids (MW)	55	109	147	199	221
Contracted (MW)	22	52	92	160	172

Through our tenders, we will look to increase the capacity contracted by increasing the number of tender rounds we run on annual basis through our new monthly tender operating model. However, should assets not be available or there is insufficient capacity offered to manage individual locational constraints, we may need to revert alternative solutions such as conventional reinforcement.



2.5. Tendered Flexibility Locations 2023

A list of all flexibility tenders issued in 2023 as well as our longer term requirements can be viewed on the [Piclo Flex tender platform](#) or on our [SPEN Profile on the Piclo website](#). The relevant postcodes relating to all substation locations listed in sections 2.5.1 and 2.5.2 as well as all the LV postcodes is available [here](#). We also have an interactive map available on our Dynamic Purchasing System platform [Piclo Flex](#) that demonstrates the specific locations of all our requirements and competitions as well as future requirements.

2.5.1. SP MANWEB

The below table summarises the substations in which flexible capacity was required and tendered for in the 23/24 reporting year. These substations relate to EHV and HV locations only. Our full table list of LV locations in the MANWEB area that was tendered for in the past year can be viewed on the [Piclo Flex tender platform](#) or on our [SPEN Profile on the Piclo website](#).

Substation Location	Product Type	Postcodes
Acer Avenue	Secure	All postcodes relating to specific substation locations can be accessed here .
Edern	Secure	
Sandbach	Secure	
Johnstown	Secure	
Middlewich	Secure	
Forden	Secure	
Smallwood	Secure	
Manor Pk-Norton	Secure	
Rossett	Secure	
Orford-Padgate	Secure	
British Oxygen-Windlehurst	Secure	
Bromborough	Secure	
Newtown-Morda-Oswestry	Secure	
Colwyn Bay - Dolgarrog	Dynamic	
Formby - Southport	Secure	
Lister Drive 132kV	Secure	



2.5.2. SP Distribution

The below table summarises the SP Distribution licence area substations in which flexible capacity was required and tendered for in the 23/24 reporting year. These substations relate to EHV and HV locations only. Our full table list of LV locations in the SP Distribution area that was tendered for in the past year can be viewed on the [Piclo Flex tender platform](#) or on our [SPEN Profile on the Piclo website](#).

Substation Location	Product Type	Postcodes
Castle	Secure	All postcodes relating to specific substation locations can be accessed here .
Warout Road	Secure	
Kingsland	Secure	
Irvine	Secure	
Bowhill	Secure	
Mitchell Street	Secure	
Lower London / Lochend	Secure	
Levenbank	Secure	
Hamilton	Secure	
Ayton	Secure	
Commercial Road	Secure	
Larbert	Secure	
Troon	Secure	
Monktonhall	Secure	
Tranent	Secure	
Kirknewton	Secure	
Stonehouse	Secure	
Stranraer	Secure	
St Andrews	Secure	
Castlandhill	Secure	
Elizabeth Street	Secure	
Kaimes 33kV	Secure	
Cupar	Restore	
Ayr	Restore	
Braehead Park	Restore	

2.6. Conflict management with the ESO

We continued to work alongside the ESO to define primacy rules as part of the ENA Open Networks project. We recognise the importance of co-ordination and data exchange with the ESO and at the procurement stage:

- Whilst we do not require exclusivity, we do request as part of the contractual terms, that FSPs disclose the existence of any agreement or arrangement they may have in respect of the assets that will provide the Flexibility Services that could reasonably impact their availability and/or ability to meet their contractual obligations.
- We encouraged FSPs to stack services as long as there is no conflict as a result of the services delivered. We comply with the primacy rules developed by the ENA Open Networks project. [Click Here](#).
- We published our contracting of flexibility services, both in our tender results and in our Network Development Plan.

This informs stakeholders, such as the ESO, of the details of any flexibility services we plan to use. With regard to our longer-term flexibility contracts, the main operational coordination with the ESO needs to come at the point of scheduling/dispatch, as that is when the flexibility service will actually be used (and so could result in adverse system impact if not co-ordinated).

The ESO's DFS market had a significant impact on participation levels in the DNO flexibility market in the 23/24 reporting year. Stakeholders noted that they would not be participating in our tenders in 2023 due to the DFS agreement's exclusivity clause. This clause prevented providers from participating in other flexibility markets. We are working alongside Ofgem and the ESO to agree a way forward in preparation for Winter 2024 and to improve market barriers to entry for potential participants in the DNO flexibility markets.



3. Stakeholder Engagement

3.1. Stakeholder Engagement in the Reporting Year

We developed our stakeholder engagement strategy with the aim to reach as many potential and interested parties as possible, facilitating easy access to information on our tenders, developing policies and procedures for identification, procurement and operation of the services.

Last year, we held two Webinars to launch our Spring and Autumn 2023 tenders as well as used our stakeholder engagement tool Tractivity to communicate with potential participants about our tenders. We attended various

conferences last year promoting the work we have undertaken to develop our processes and procedures and to share the learnings from our trials. These events were in addition to our one to one surgeries with providers that we offer on request, provide regular progress updates and to seeking feedback on our processes and approach to flexibility tenders.

The below table details the engagement we undertook:

Engagement	Dates	Details
Spring and Autumn Tenders Webinars	12/05/2023 15/11/2023	Live webinar to launch both the Spring and Autumn 2023 tenders for potential FSPs that showed an interest in participating in DNO flexibility markets. The webinars covered the following key areas: <ul style="list-style-type: none"> Key competition dates & details The competition Interactive Q&A
'Growing DSO Flexibility Markets' Piclo Conference	24/05/2023	In May last year, Piclo hosted our second in-person event since the pandemic. 'Growing DSO flexibility markets to reach net zero', in collaboration with Electricity North West, SP Energy Networks and UK Power Networks, was held in London. Here, FSPs got the chance to meet and collaborate with us through a series of panel discussions and collaborative roundtable sessions
Energy Innovation Summit	29/10/2023 – 30/10/2023	The flexibility team attended this conference to network with potential FSPs, other stakeholders and DNOs to gain market insight and seek feedback on SPENs flexibility market.
SPEN DSO Conference	07/02/2024	We held a DSO Conference for all our stakeholders in Glasgow as an opportunity to hear about the challenges we face (many of which we will need the stakeholders' help in solving) and also for stakeholders to engage with our senior representatives to help shape our plans for the future. As well as hearing from SPEN, stakeholders had the opportunity to hear from other key organisations who will play a pivotal role in the transition to system operation such as the ESO, Ofgem and FSPs.
One to one surgeries	Various	Regular one-to-one surgeries with FSPs that are participating in the DNO flexibility markets to seek feedback on newly developed processes to ensure they don't negatively impact potential participants. We also held on-to-one surgeries with various stakeholders that are new to the DNO flexibility market and are interested in learning about SPENs offering.
CIREN - International Conference on Electricity Distribution	June 2023	Our paper on the Windy Day trial was successfully selected and was presented at the CIREN conference in June last year.

3.2. Tender Publication and Communication

We facilitated two 18 month tenders in 2023, one in April 2023 and the other in November 2023. For both tenders, we facilitated a similar process for communication prior to the launch of our tenders.

3.2.1. Tender Pre-Qualification Engagement

Prior to the launch of each tender, we conducted the following stakeholder engagement to advertise both our Spring and Autumn tenders:

Engagement	Location	Details
Publication of ITT Documents	SPEN Profile on Piclo website	Updated tender documents including company policies, processes and further documents were published one month ahead of the bidding window opening.
Publication of Tender Requirements Data	Piclo Flex and SPEN Profile on Piclo website	The requirements for both tenders as well as any updates to the longer term requirements were updated prior to each tender launch on the Piclo Platform with a summary provided on the SPEN Profile on the Piclo website. These datasets included data on; <ul style="list-style-type: none"> Total capacity required (MWs) Date/time flexible capacity is required Specific locations of where flexible capacity is required on our network Estimated utilisation and availability of flexible capacity in hours
Spring and Autumn Webinars	Piclo facilitates webinars via Eventbrite	Webinars were held prior to the launch of each of our tenders in which we discussed the tender requirements, pre-qualification process and facilitated a Q&A session.
Newsletters	Tractivity Register as a SPEN stakeholder	Newsletters were sent out to multiple stakeholders via our stakeholder engagement tool tractivity. These newsletters advertised the upcoming tenders, signposted the information relating to each tender and included information on how to take part.
LinkedIn posts	SPEN LinkedIn page	Multiple advertisements of both tenders, calls for participants and pre-qualification deadline reminders were posted on SPENs LinkedIn page to target potential FSPs.
One to one surgeries	Various	Providers with further questions could request a one to one meeting with the flexibility team. Meetings were held with current as well as potential FSPs to further discuss requirements and processes. This was also an opportunity for SPEN to gain feedback on our current flexibility service and process.
Flexibility Team Mailbox	flexibility@spenergynetworks.co.uk	Potential future participants also contacted the flexibility team via our mailbox to ask further questions around flexibility requirements, future tender processes and more.

3.2.2. Post Tender Engagement

Once the bidding window closed, we facilitated one to one feedback sessions with all participants in both the Spring and Autumn Tenders.

If FSPs participate in our tender process, they are informed if they are successful or unsuccessful via email from the Piclo DPS system. We would then set up one to one meetings with successful providers to communicate the next stages of the post-tender process.

We also conducted various one-to-one surgeries with successful and unsuccessful bidders to provide feedback on the bids that were submitted as well as listen to any comments from potential flexibility providers at this stage of the process.

Tender results are published promptly on the Piclo Flex platform once the tender process is completed

3.3. Stakeholder Feedback

The key areas we sought feedback from stakeholders last year were on our 18 month tender cycles, and continued barriers to entry for potential FSPs. We used this feedback to develop our new month ahead flexibility market for 2024. The below details some of the areas we gained feedback from FSPs:

Feedback	Response
Shorter Term Markets	Stakeholders noted a preference to participate in shorter term markets. We are developing our processes and systems to be able to deliver short term markets in 2024.
Robust Pricing	Some FSPs advised that bidding in constraint locations across the full ED2 period is difficult. Prices they bid in today for 18 months ahead may no longer be viable for some providers due to outside factors. Going forward, we will be tendering on a month ahead basis which will allow providers to submit more robust pricing.
Standardisation	Stakeholders raised concerns regarding DNO product differences as being a barrier to participation in the Flexibility Services markets and as such the resolution of this challenge was prioritised as a key outcome of Open Networks for 2023. We fully support further standardisation with the areas identified and new aligned products have now been developed which SPEN will put in place for our new tendering model.
Contracting	Providers told us the framework contract should be prioritised, enabling FSPs to add assets and data as and when available, when already in a contract with us. Acting on this feedback we are working to implement the new framework agreement at the first opportunity.
Requirements Data	Stakeholders informed us that excel spreadsheets make assessing the requirements information easier. However, more information on potential revenues would also be useful for FSPs to forecast potential future revenue. We are developing a Market Prospectus this year to provide a clearer summary of our requirements for the upcoming year as well as longer term requirements. The Market Prospectus will also provide FSPs with potential revenue forecasts for each of our constrained locations.

3.3.1. INZAC Meeting Feedback

In November 2023, the Independent Net Zero Advisory Council (INZAC) met to reflect and provide suggestions to SPEN about our current DSO Flexibility activities. The INZAC brings together 15 external experts to provide challenge and specialist knowledge to both the distribution and the transmission sides of the business across Central and Southern Scotland, North Wales, Merseyside, Cheshire and North Shropshire.

With a wealth of experience and expertise from across the energy industry and beyond, the INZAC has a critical role in overseeing and challenging SPEN's efforts to enable the path to Net Zero for the customers and communities it serves. A summary of the feedback received in the November 2023 INZAC meeting is available in Appendix 3.

3.4. Engagement Channels

We ensured several channels were available to facilitate continuous engagement, including:

Channel	Description	Where
Website	The SPEN website hosts dedicated flexibility pages providing information and links to our Flexibility tenders, our policies and processes, and how to contact our Flexibility Team.	spenergynetworks.co.uk
Procurement Platform	The Picloflex platform and provided ongoing engagement, this allowed potential FSPs and stakeholders to access our procurement policies and processes and step by step instruction on what is required at each tender stage, whether registering for the DPS, uploading assets or submitting bids. Our dedicated page on Picloflex requests feedback and provides details on how stakeholders can request a one-to-one meeting with us	picloflex.com piclo.energy
Dedicated Mailbox	We have a dedicated flexibility mailbox for stakeholders to contact us with any query they have relating to Flexibility Services. This is widely published on Picloflex and the SPEN website, and included on all our external communications relating to Flexibility.	flexibility@spenergynetworks.co.uk
Downloadable Documents	To ensure potential FSPs and stakeholders were informed on how we identify, procure, dispatch, and settle Flexibility Services, we provide several downloadable documents. Example Downloadable Documents published in 2023 are available in appendix 2.	Various SPEN Profile on Piclo Page
Social Media	We mainly use platforms such as Twitter and LinkedIn to advertise and inform stakeholders of our procurement activities, promote conferences and trials.	SPEN LinkedIn Page
Conferences	We attended relevant conferences and arranged specific events such as the SPEN DSO Events that were held in both our licence areas in early 2024.	Various
SPEN Data	Additional datasets relating to our Long Term Development Statement and other useful data relating to our network planning was available to view on our Open Data Portal.	SPEN OpenData Portal

3.5. Industry Engagement

SPEN are represented on all workstreams within Open Networks, contributing to the development and alignment of procurement and use of Flexibility Services alongside other DNOs and the ESO to improve whole system coordination. From the start of 2023, our Flexibility Procurement Manager was co-lead with the ESO of the Standard Contract Technical Working Group, who are working towards implementing

the Standard Framework Agreement in 2024. Our Flexibility Performance Manager was co-lead of the Products Technical Working Group, who are implementing the new aligned Products that was introduced in February 2024. We ensure our processes are aligned with the good practices already identified and the new processes implemented.



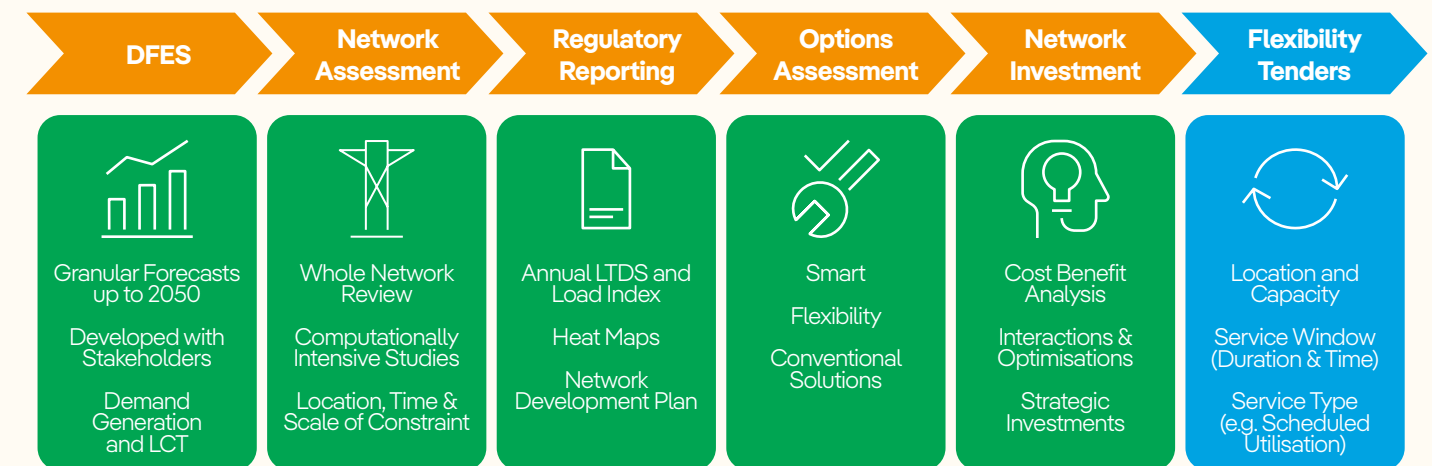
4. Economic Viability

4.1. Decision Making Framework

We recognise the importance of transparently communicating how we decide whether to contract and dispatch flexibility services instead of other interventions. This transparency helps give customers and stakeholders confidence that we are implementing the most appropriate interventions. It also provides FSPs confidence that we are a neutral market facilitator, and address any residual perceived conflict of interest concerns. Given the system-wide benefit

of flexibility services, it's important we co-ordinate their use with other industry parties. The Decision-Making Framework is one measure we use to provide that transparency and co-ordination.

As part of our Decision-Making Framework, the stages we follow to determine the optimum solution for individual constraints are as follows:



Our full Decision Making Framework which provides further details on the overarching process we will follow to establish where, when, and how we should intervene to provide capacity for a constraint is available on our [SPEN website](#).

4.2. Evaluation Approach

For each constraint location, we considered a wide range of possible solutions to manage each individual network constraint. We use an impartial decision-making process to ensure that selected investment options are the best interventions to meet our customers' and stakeholders' priorities and offers the most efficient solution.

All load related intervention schemes are subject to technical scrutiny via our internal System Review Group, which is a forum for peer to peer review of proposed changes to the distribution network. It is an integral part of our authorisation process ensuring that projects submitted for financial authorisation have received the appropriate level of technical scrutiny.

All schemes are underpinned by robust Engineering Justification Papers (EJPs) and Cost Benefit Analysis (CBAs). Each EJP presents the needs case for the investment with relevant supporting evidence. A structured optioneering process is followed, outlining the list of possible solutions that were considered to manage the forecast constraint; which

options were taken forward into detailed analysis; and why any solutions were discounted. The scope, cost, risks, benefits and other relevant factors are considered and summarised in the EJP.

The CBAs used the RIIO-ED2 Ofgem template to consider the Net Present Value associated with both capital and operational expenditure over 45 years. Each CBA has been carried out to deliver consistent and transparent modelling that is objective, accurate and of high quality. We will also be using the Common Evaluation Methodology to support our decision-making.

The outcome of this approach is summarised in our Distribution Network Options Assessments (DNOA) which can be found [here](#). The DNOA documents provide a high level summary of the network requirement we are trying to address, the solutions considered and the justification for seeking reinforcement or procuring flexibility services (or a combination of both).

4.3. Economic Assessment

We assess investment solutions and Flexibility Services on a like for like basis by employing a comparative assessment approach which means that the value of flexibility (i.e. the amount of money we have to spend on flexibility services) in any given scenario is determined by the cost and value of the counterfactual solution (e.g. a reinforcement), and not by the required volume of flexibility services.

Once we received tender responses, the bids were assessed in detail to confirm that it could technically manage the constraint. We assess the risk associated with using the flexibility and consider the most cost-efficient mix of tender responses (if responses are greater than the requested capacity). Competent bids were then fed into our optioneering and investment assessments and evaluated alongside all other options.

4.4. Bid Assessment

4.4.1. Pre-bidding window

Prior to any opening of a bidding window, we published our most up to date requirements for the short and longer term. We also published our guide prices and estimated hours of flexibility required at each location which enables providers to assess their bids to provide the most economic bid possible. These documents were readily available for our potential participants on the [SPEN profile on the Piclo website](#) as well as on the [Piclo flex platform](#).

We apply a pay as bid approach and do not set fixed prices for any service. We calculated the ceiling price for each tendered constrained location to identify the most economic and quality outcome for our customers which is used to continue to provide pricing signals.

We used a variety of tools including the CEM model to support our economic assessment of each constrained location. We also assessed against other counterfactual solutions to ensure that we are providing the most suitable and economic reinforcement solution possible in a specific constrained location.

Where guide prices are provided, these are for individual constrained locations, and we provide a range to give FSPs an understanding of the potential level of revenue available to encourage market competition. These ranges are based on the net present value of the alternative solution and will differ for each constrained location as they are based on the individual scheme cost, the capacity required and the estimated hours of utilisation. For LV constrained locations, we provide a single range guide price. Such guides are indicative only, when bids are received, they are fully assessed based on the budget for individual constrained locations, likely utilisation, offered capacity and product.

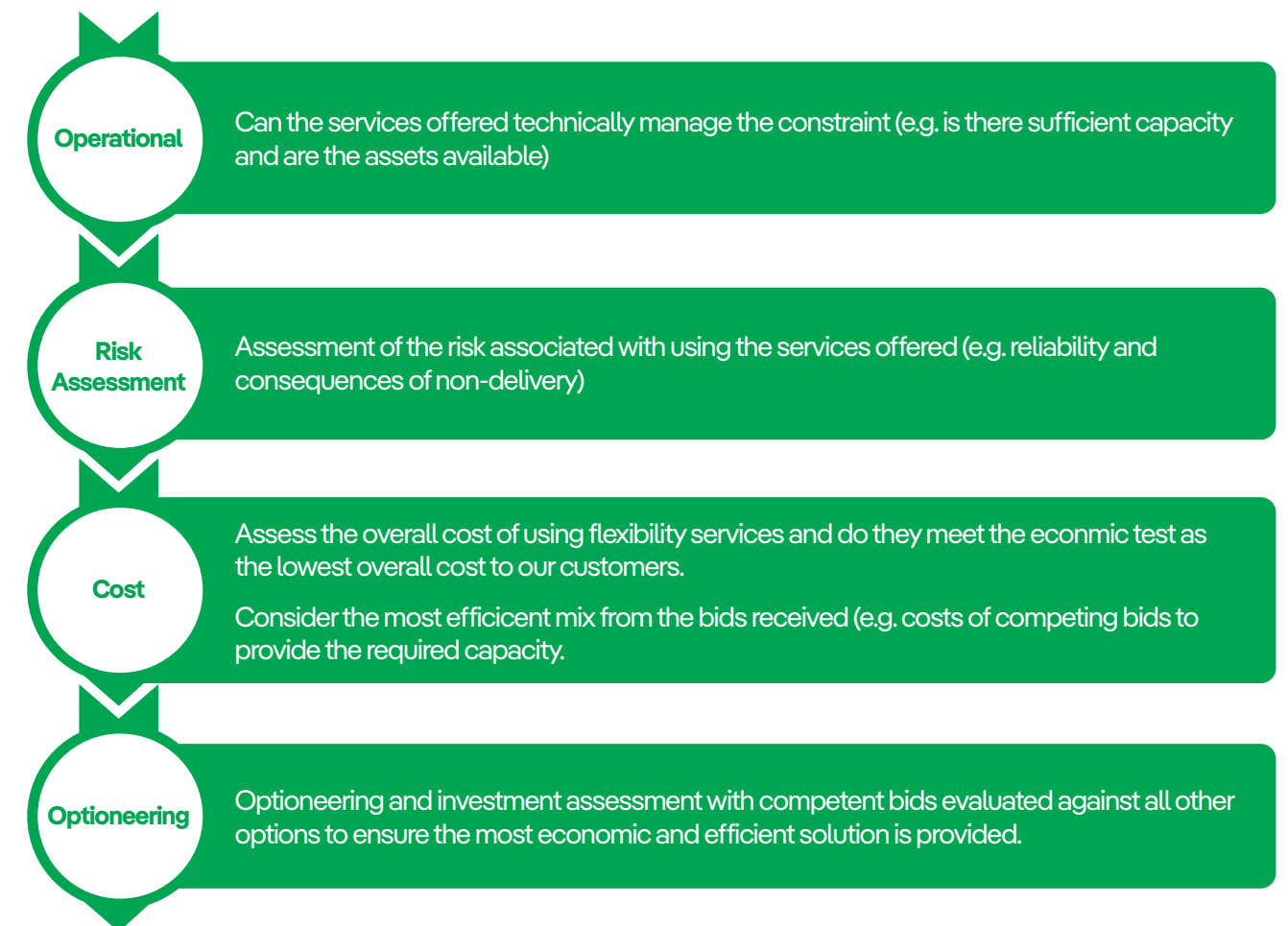
Further details on our pricing strategy, structure and application can be found within our [Decision Making Framework](#).



4.4.2. Post-bidding window

After the bidding window has closed, for each bid submitted we assessed; the technical parameters, the overall value of the service offered, and competing bids. Once we know the cost and availability of flexibility services, we will compare it to other potential solutions and impartially identify the optimal intervention, or combination and sequence of interventions, for each individual constraint.

Guidance is published as part of any tender issued to ensure that potential bidders are aware of the evaluation criteria we apply. Further information is available on our [SPEN profile on the Piclo website](#).



In accordance with Condition 31E, we publish the details all Flexibility Contracts entered into and have committed to updating the Condition 31E template after each tender round where appropriate.

Any updates to competitions and bid results are available on the [Piclo flex platform](#).



4.5. Supporting Methodologies

We have several tools available to help with the assessment process and supplement the flexibility assessment criteria. Some tools we use to support our quantitative assessment processes include, the CEM Tool, design studies, technical assessments, and CBAs for interventions at EHV and 132kV; we supplement these with a linear optimiser for LV and HV assessments. These tools are excellent at analysing some elements of the assessment criteria, but don't have the ability to assess other criteria such as deliverability. This means we use these tools to support the assessment criteria, rather than depend on them individually.

We include details on the methodologies we use in our Decision Making Framework and other supporting documents as part of our downloadable documents listed in Appendix 2.

4.6. 2023 Cost Benefit Evaluation Results

In 2023/2024, we contracted sufficient flexibility services to defer reinforcement in 6 Primary reinforcement schemes. These schemes have a total forecasted reinforcement cost of £18m. Flexibility contracts enabled the deferral of £4.7m of expenditure during the 2023/24 reporting year, giving an associated 45-year NPV benefit of £590k.

We contracted for flexibility on a further 17 Primary schemes to manage future uncertainties in loading, or to reduce the number of hours the network is at risk of constraint while we continue to deliver our planned reinforcement schemes.



4.7. Dispatch Principles

We will operate the dispatch of Flexibility Services in a fair and transparent manner, all the time ensuring that we meet our obligation to maintain a secure and efficient network. As the Flexibility Services market develops, and services are available from multiple FSPs to meet the requirements in individual constraint locations, we will follow the dispatch decision guiding principles published by the ENA Open Networks project, namely:

Principle	Description	Implementation
Security	The needs of the system will be met using flexibility in such a way that security is maintained	Confirm with applicable standards with an appropriate management of risk
Cost	Flexibility will be operated to meet system need at the minimum level of cost	The use of flexibility services should be cost effective and expenditure proportional to the benefits it brings to the network
Operability	DSOs will seek to dispatch services that offer compatible levels of operability	We will procure flexibility using simple, fair, and transparent rules and processes. Services should be developed such that flexibility service providers can participate easily in different markets
Competitions	DSOs will provide transparency of their dispatch and activities	We will procure flexibility using simple, fair, and transparent rules and processes. Services should be developed such that flexibility service providers can participate easily in different markets
Fairness	DSOs will operate a fair dispatch methodology and provide equal opportunities to participate.	Flexibility Services shall be assessed and selected impartially purely on their technical and commercial merits. Where multiple technically sufficient Flexibility Services are available at a comparable cost, we will share the dispatch of services across these providers

We updated our dispatch and settlement method in 2023 to make it easier for FSPs to participate in our end-to-end tender process. Previously, we used the Piclo platform for procurement and onboarded successful participants to the Flexible Power platform for dispatch and settlement. Since Autumn 2023, we are utilising the Piclo platform throughout the participant's tendering journey, from the first stages of our procurement process to the end stages of dispatch and settlement. Once assets are uploaded on to the Piclo platform they are then able to fully participate in our end-to-end flex process of procurement, schedule, dispatch, verification and settlement which negates the need to onboard FSPs onto multiple platforms.

Further details on guidance relating to the Piclo platform can be accessed on the Piclo website along with a copy of our Dispatch Principles which are located on the SPEN profile on the Piclo website.

4.8. Dispatch Services

There have been no instances in the 2023/24 reporting year where alternative network management was deployed to manage a constraint where Flexibility Services were contracted for dispatch.

As part of an ongoing scheme to replace intertripping ahead of a rebuild of the Rhos Mesh in 2024, NGED had three planned outages in 2023 that affected SPEN's Aberystwyth/Rhydydan 33kV group at 132kV. SPEN worked extensively with NGED in 2023 to plan the upcoming outages to ensure sufficient flexibility was procured efficiently. SPEN contracted with Statkraft's Rheidiol Power Station to provide standby generation availability and post-fault export. Standby generation was successfully dispatched in September 2023.

4.9. Market Assessment

Over the past year, we have assessed multiple aspects of the Market that mainly relate to our tender activity throughout the reporting year and how we can improve our processes and reduce future barriers to entry.

4.9.1. Assessment of Providers' Contract Length

Our main assessment of the market in the reporting year consisted of gaining feedback from our stakeholders to assess continued barriers to market participation and how to improve our engagement strategy in the upcoming reporting year. In relation to the feedback received, we found that current participants reported that, shorter term markets would

be preferable and more accessible for providers to offer an increased amount of flexibility services.

4.9.2. Asset Availability Assessment

When tendering for services in the 23/24 reporting year, we experienced a reduction in available assets contracted in comparison to assets that received accepted bids during the procurement process. This is due to the fact that we previously accepted assets that were not yet operational providing that the asset was operational from the service window start date. From SPEN's initial perspective, we wanted to reduce market barriers by providing the opportunity to submit bids for planned assets. After reviewing this element of our procurement process and to progress our flexibility offering in the future, we concluded that for shorter term markets, we will only accept operational assets for the pre-qualification stage. Only operational assets will be able to submit bids to participate in our month ahead market. Our intention with this development to our flexibility service offering is to develop increasingly accurate market signalling of how much capacity is available and reduce the impact of inaccurate asset availability forecasting on future tendering activity.

4.9.3. Asset Database and Market Prospectus

Over the past few months, we have been developing an internal asset database where we can regularly assess new and existing potential participants in future tenders. Our intention is to utilise this market database in future tendering activity to assess any gaps in participation and develop a sales approach to increase the effectiveness of our engagement strategy in each constraint location.

We have also been developing a Market Prospectus following an assessment of stakeholder feedback that a clearer summary of available revenue from flexibility services and requirements could improve potential providers' understanding of the opportunities in DNO flexibility markets. Further information on our Market Prospectus is available in our 2024 Procurement Statement.

4.9.4. ESO Engagement & Considerations for the Total System

As customers connected to the distribution network increasingly respond to both distribution and transmission service requirements, we need to ensure that ESO and DSOs co-ordinate. By doing so we can maximise the market opportunities for FSPs, whilst also maintaining network security and facilitating the transition to Net Zero at lowest overall cost to customers. During the early stages of our procurement process during the options assessment we consider whether solutions are coordinated from a whole energy system perspective, or whether we need to engage with other stakeholders, for example adjacent DNOs and/or the transmission network operator connected to our distribution network.

The main coordination with the ESO comes at the point of scheduling/dispatch as that is when the flexibility service will actually be used (and so could result in adverse system impact if not appropriately managed). However, even at the early network planning stage, we:

- Publish our contracting of flexibility services, both in our tender results and in our Network Development Plan. This informs stakeholders, such as the ESO, of the details of any flexibility services we plan to use.
- Identify where FSPs are committed to offering services to the ESO (FSPs are obliged to tell us), so we can manage any potential conflicts. If we are to unlock the full benefits of flexibility it is essential that we develop simple but effective processes and systems that allow the ESO and DSO to interact, allowing FSPs to unlock market value whilst maintaining network reliability

We are also coordinating on an industry level with the ESO to thoroughly ensure we take a Total System approach when assessing our flexibility solutions as well as the flexibility market as a whole. Some of our collaborative projects include:

Industry Change Programmes

- The Open Networks project under the ENA has been developing use cases and guidance on primacy i.e. under which circumstances does the needs of one network take precedence over another. By establishing the principles of primacy we can ensure that adverse interactions are minimised, allowing FSPs to participate in both ESO and DSO markets.
- Ofgem have outlined their intention to create a Flexibility Market Facilitator, responsible for 'delivering standardised, easily accessible, and transparent DSO markets'. This new industry body will also be responsible for ensuring co-ordination between ESO and DSO markets and is expected to be implemented by late 2025/early 2026.

Technical Operational Data Facilitation

- We are investing £0.5m to improve data transfer capabilities between our control room(s) and the ESO control room. We will also improve our network monitoring and modelling capabilities to better understand and communicate the real time availability of our networks, increasing the accuracy of our flexibility service requirements. This will increase the certainty of revenue for FSPs whilst also minimising the cost to our customers.

ESO Markets Collaboration

We are working closely with the ESO on their Local Constraint Market and MW Dispatch products. These products are examples of distribution assets providing a response for transmission requirements and they provide clear benefits through a coordinated approach.

More information on our Total System market assessment approach can be found in or [Decision Making Framework](#).

5. Carbon Reporting

5.1. Current Approach

SP Energy Networks has procured 66754kWh from Gas Reciprocating Engines. The calculated direct carbon impact associated with flexibility services in regulatory year 2023/24 is 34933kgCO₂e – which includes direct impacts of fuel combustion to produce electricity. The calculated consequential carbon impact associated with this flexibility service is - (negative) -18535kgCO₂e – which includes displacement of grid generation at export. Net Carbon impact is therefore 16398kgCO₂e.

The carbon quantification calculation reported above has followed the collaborative methodology developed by UK DNOs as part of the Open Networks Project, Product 7, Workstream 1A. Details of the methodology can be accessed [here](#).

LC31 Technology Category	LC31 Technology Sub-Category	Requested Energy (MWh)	Delivered Energy (MWh)	Direct Carbon Impact (kgCO ₂ e)	Consequential Carbon Impact (kgCO ₂ e)
Fossil - Gas	Gas Reciprocation	66.754	66.754	34933	-18535

5.2. Industrial Developments

SPEN were represented on the Carbon Reporting Methodology Technical Working Group. The TWG remit is to develop a methodology for DSOs to calculate and report the carbon impact of flexibility service actions. Updates were made to the Carbon Methodology in 2023 which broadly included:

- Clarifying the guidance where details are missing or unclear based on feedback from TWG members following implementation in 2022.
- Investigation of other areas identified in 2022 as areas for future development including grid intensity factors and use of asset-specific data.
- Producing an excel tool to help users implement the calculation for their own purposes.



6. Appendices

6.1. Glossary

Acronym	Description
CEM	Common Evaluation Methodology
DSO	Distribution System Operator
DPS	Dynamic Purchasing System
EJP	Engineering Justification Paper
SPEN	SP Energy Networks
SPD	SP Distribution plc
SPM	SP MANWEB plc
FSP	Flexibility Service Provider
ESO	Energy System Operator
LTDS	Long Term Development Statement
LCT	Low Carbon Technologies
LCM	Local Constraint Market
ENZ	Engineering Net Zero
DFES	Distribution Future Energy Scenario
ENA	Energy Networks Association
NDP	Network Development Plan

6.2. Appendix 2 – Downloadable Documents

Title	Description	Where
Constrained Locations		
DFES	A copy of our current Distribution Future Energy Scenarios.	Distribution Future Energy Scenarios - SP Energy Networks
NDA	Network Development	Network Development Plan
LTDS	Long Term Development Statement	Long Term Development Statement - SP Energy Networks
Procurement (all issued as part of our monthly tender ITT documentation)		
Procurement Process	Details the process all FSPs wishing to participate are required to follow.	SPEN Profile on Piclo Website
Pricing Strategy	An explanation of our pricing strategy for Flexibility Services	SPEN Profile on Piclo Website
Pre-qualification Requirements	Details of requirements FSPs must meet in order to participate.	SPEN Profile on Piclo Website
Bid Assessment Criteria	An overview of how we assess bids received	SPEN Profile on Piclo Website
Common Evaluation Methodology	Details of the Common Evaluation Methodology developed by Open Networks.	SPEN Profile on Piclo Website
Flexibility Services Agreement	The current version of the Terms and Conditions	SPEN Profile on Piclo Website
Operation		
Guide to API Set-Up & Testing	A guide on how to build and test the Application Programme Interface and how to carry out necessary testing	Provider Tutorials – Piclo website
Participant Portal Guide	A guide on how use the portal including: declarations of availability and viewing statements	Provider Tutorials – Piclo website
Billing Guide & Payment Set Up	An overview of the monthly billing cycle and the form to send us your payment details.	SPEN Profile on Piclo Website
Baselining Methodology	A presentation on the Baselining Methodology that applies.	SPEN Profile on Piclo Website
Dispatch Principles	An explanation of how we dispatch when availability exceeds requirements.	SPEN Profile on Piclo Website
Glossary	A helpful guide to the terms, acronyms and abbreviations used, as provided by the ENA.	SPEN Profile on Piclo Website



6.3. Appendix 3 – INZAC Meeting Feedback

Some suggestions for improvement to the DNO flexibility service that were highlighted at the November 2023 INZAC meeting include:

- **Growing market participation** – improve communications strategy to include more engaging language, materials, and develop a ‘sales’ approach.

SPEN Response: We will be improving our communications strategy this year by increasing proactive regular communications relating to our monthly tenders and develop a market prospectus to clearly communicate our tender requirements to new and existing market participants. We will also develop an internal market prospectus to identify connected assets at various constraint zones. This will enable us to develop a ‘sales’ approach by conducting one-to-one surgeries with both existing and new participants to the market.

- **ENZ Model data** – suggestions were made around interoperability with external systems as well as development of automation in the interaction with multiple external systems including systems utilised by the FSO and other software used by system design engineers.

SPEN Response: SPEN have developed the ENZ model to support planning and contingency analysis for the entire network. The model uses micro-level forecasts, asset data and detailed modelling to identify constraints. For each constraint, the model finds the most economic combination, sequence, and timing of solutions considering flexibility, smart and reinforcement options. One of the key inputs for the ENZ model is our Distribution Future Energy Scenarios (DFES), combined with granular LCT forecasts yielding from our EV-Up and Heat-Up models. In order to continuously improve the accuracy of the ENZ model, including location and the timing of flexibility requirements, inputs are being refreshed with the latest forecasts (DFES, EV-Up and Heat-Up).

At the next stage, we will develop our ENZ model into a real-time analytical platform – the ENZ platform. This will integrate four previously independent data sources (network monitoring, smart meters, enhanced forecasting, asset condition), and use them for automated power flow

studies for the entire network in real-time. This produces network analytics to tell us what is happening on the network right now, and what will happen in operational and planning timescales. This means we can make real-time data-driven planning and operational decisions, as well as facilitate a more informed and automated Flexibility procurement process (for pre-tender / network modelling).

The ENZ Platform will be integrated into SPEN Corporate Systems to allow for full data transfer and business-wide access to ENZ analysis and user-friendly visualisation of the results across different operational and planning timelines.

- **Third Party Flexibility** – Can SPEN work with Third Party Flexibility providers to enhance their flexibility engagement and improve market participation?

SPEN Response: We are currently working with multiple Third Party Flexibility providers that are active in the DNO flexibility market. We look forward to continuing our relationship with our current Third Party providers. We are eager to further develop relationships with Third Party Providers that are new to our DNO flexibility market. As part of our communications strategy for this year we intend on facilitating one-to-one surgeries with more providers to seek feedback on how we can improve our systems, processes and communications to further engage with Third Party Flexibility Providers’ customers.

- **Enhancing Flexibility Asset Types** – SPEN could consider alternative energy assets for future flexibility tenders.

SPEN Response: This year we will be taking part in the Equinox Trial 3 project to explore how heat pumps can support our future flexibility requirements. This project will take place in the Autumn and we expect to learn how we can apply the project findings in our future flexibility strategy. We are also open to explore other options and work with industrial and commercial assets in the future to see how we can adapt our flexibility strategy to improve market accessibility for industrial and commercial companies that have flexibility potential.

- **Consistency of DNO Flexibility Market** – Although some work has been carried out to improve standardisation of the DNO flexibility market by the ENA Open Networks project, INZAC stakeholders believe that market consistency within the DNO flexibility market remains a barrier to entry.

SPEN Response: We recognise that standardisation across DNOs is key to reducing the barrier to entry for flexibility markets. Throughout 2023, the ENA Open Networks Flexibility Products Technical Working Group have collaborated with industry to establish a more detailed definition of the parameters that make up a Flexibility Service within the Distributed Network Companies. This comprehensive standardisation exercise was undertaken to develop proposals for alignment with the aim of eliminating the differences on the use of Flexibility Services between the companies. These differences were highlighted by Flexibility Service Providers in the Open Networks 2022 Consultation as being a barrier to participation in the Flexibility Services markets and as such the resolution of this challenge was prioritised as a key outcome of Open Networks in 2023. In 2024, SPEN will be using the new Products developed by the ENA to improve consistency in the DNO flexibility market.

Additionally, we will be launching our new tender process utilising the new Standard Framework Flexibility Services Agreement that will be standardised across all DNOs when we launch our month-ahead tenders in May 2024.

SPEN is committed to collaborating with other DNOs and continue to seek stakeholder feedback on flexibility market standardisation to improve barriers to entry and increase the flexibility market’s liquidity.



SP Energy Networks
320 St Vincent Street, Glasgow G2 5AD
www.spenergynetworks.co.uk

