

2022: The year in review

electricity
north west
Bringing energy to your door

Looking back on our progress in line with
the flexibility commitments in 2022

January 2023



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Introduction

Electricity North West Limited (ENWL) sees flexibility services as a key Distribution System Operation (DSO) function and a vehicle for change, as it facilitates the North West’s transition to net zero carbon. Embedded in everything we do are our core principles of being switched on; adaptable and taking pride. It is through these principles that we believe together we have the energy to transform our communities.

In December 2018 we committed to the Energy Network Association’s (ENA) [Six Steps for Delivering Flexibility Services](#) which intends to ensure that Electricity Distribution Network Operators (DNOs) become a level playing field for all customers with connected resources. The six steps endeavour to increase the accessibility and transparency of flexibility services, ensuring they remain open for all to participate in, and seek to help customers understand the methodologies and criteria that are used to procure and dispatch Flexibility Services from their Distributed Energy Resource (DER).

During 2022 we began preparing for the exciting challenges we committed to in our Business Plan for the next regulatory period, known as RIIO-ED2 which will run from Apr-2023 to Mar-2028. Details of our commitments can be found [here](#), or for items relating specifically to our approach to distribution flexibility services, in [Annex 02 – DSO transition](#).

In this year’s ‘Looking Forward’ section of the report, we will be incorporating the additional commitments set out in the [Smart Systems & Flexibility Plan](#) published by BEIS and Ofgem. This plan supports and builds upon the commitments made by the ENA in 2018. Following the six principles; we will deliver upon these the commitments to build a smart and flexible energy system that can deliver significant benefits for consumers, the system, and the wider economy whilst lowering carbon emissions.

Our progress over the last few years demonstrates our commitment to simplicity, accessibility and transparency in this fast-developing new sector. We recently issued our eleventh tender for flexible services and this document outlines the changes that we have made during 2022 as we continue to fulfil our commitment of embedding the Six Steps for Delivering Flexibility Services.



Our region

Electricity North West provides an essential service to all our customers. As one of 14 Distribution Network Operators in Great Britain, we cover the north west region of England.

We cover a diverse range of communities and landscape, from dense urban populations in cities such as Manchester to remote rural locations across Cumbria.

Energy Network Association's (ENA's) Six Steps for Delivering Flexibility Services



Figure 1: ENA Six Steps to Delivering Flexibility Services graph

How our engagement activities in 2022 aligned with the six commitments:

Engagement	Six Steps for Delivering Flexibility Services					
	Market Neutrality	Visibility and accessibility	Open and transparent procurement	Clarity on dispatch of services	Regular, consistent & transparent reporting	Work together
Quarterly update newsletters	●	●	●		●	
Bi-annual Flexibility webinars	●	●	●	●	●	
Decarbonisation of Public Estate forum						●
Energy Innovation Summit- Glasgow	●	●				●
Growing DSO Flexibility Markets to Reach netzero ENWL/Piclo/UKPN/SPEN	●	●	●			●
Distribution Flexibility Procurement Consultation	●	●	●	●	●	
Low Carbon Buildings Challenge Group		●				●
Energy Innovation Challenge Group		●				●
National Grid’s Power Responsive event	●	●				●
Sustainability Advisory Panel						●
EnergyX2022 North-Chester	●	●				●
Elevate Exchange sustainability panel						●
ENWL Flexibility Consultation webinar	●	●	●	●	●	
ENA Open Networks Flexibility Consultation						●
Regional DSO events- Whitefield & Bolton By Bowland	●	●	●			

Figure 2: ENWL Flexibility Services 2022 engagement

1. Market Neutrality

‘Market neutrality is a fundamental principle of operating Britain’s energy network infrastructure. We will procure flexibility services in a way that creates a level playing field for all energy technologies and services. ENA’s electricity network members (i.e. all DNOs, TOs, the ESO and GTC) will facilitate and provide convergence and standardisation for customers in order to support this.’



1.1 What we did

Following feedback from our stakeholders via surveys and webinars, we have continued to update our approach to the procurement of distribution flexibility services in 2022 to ensure that we champion a level playing field, and promote market neutrality in everything we do.

A key aspect of this has been our use of the [Piclo Flex platform](#) as a centralised platform for publishing tenders. We are utilising the dynamic purchasing facilities that the platform offers as a way to standardise the commercial pre-procurement checks, and this year we worked with other DNO’s that also use the PicloFlex platform to standardise the technical pre-qualification of assets prior to bidding into these services. As part of the Open Networks Project in conjunction with other networks including National Grid ESO, we also consulted with stakeholders on standardising these checks further, and this is now a key deliverable for 2023.

In terms of engagement, we collaborated with PicloFlex, UKPN and SPEN to host a cross-industry event at the Science and Industry Museum in Manchester on Tuesday 14 June. *Growing DSO Flexibility Markets to Reach Net Zero* was held to stimulate market engagement and boost market confidence, participation and liquidity. The day consisted of presentations from each DNO and Piclo followed by panel Q&As and roundtable discussions to drive engagement and feedback from stakeholders. The presentation slides and full event roundup can be found on our [Flexibility engagement page](#).

We also held our first two *Future Energy Roadshows* in local communities across our region to provide support to a broader range of potential customers and providers. These events were open to all and covered a variety of topics from flexible services, community and local energy, net zero for business and capacity. The events were well received with 100% of attendees leaving the event feeling they had a better understanding of Electricity North West services and support.

Last year we were proud to announce the addition of energy efficiency measures as a means of providing flexibility to the network. This year we focused on raising awareness of this lesser known service which allows system users to earn revenue from carrying out long term energy efficiency activities whilst assuring Electricity North West that the site demand will decrease, deferring the need for reinforcement work within the area since average consumption is reduced and/or shifted away from the peak demand creating network capacity,

In 2020 we helped to produce a common standardised flexible services contract with the Open Networks Project which could be used by DNOs when procuring flexible services. We were the first

DNO to adopt this new flexible services agreement into business as usual. Throughout 2021 and 2022 we have been working to further refine this agreement in consultation with stakeholders so that it can also be adopted by the ESO, bringing standardisation across the industry. Version 2 of the Agreement was issued in 2022, and this work will continue to 2023 to further standardise the schedules, and to modify clauses now that we are more experienced in procuring flexibility services. The latest version of the agreement is available to view on our [Understanding Flexible Services](#) webpage.

2. Ensure visibility and accessibility

We will highlight where and when opportunities exist for flexibility services to play a role in ensuring a secure, consistent energy supply via electricity networks. We will remove barriers and enable all customers to access multiple markets to provide services, for example where they can earn revenue from both the national balancing services market and local flexibility services markets. This will be undertaken consistently and easily and include sharing data with flexibility service providers to develop transparent markets.'



2.1 What we did

Following stakeholder feedback encouraging the use of national platforms for visibility and procurement of flexible services, we have continued to contract with [Piclo Flex](#) for the procurement of flexibility services. Piclo Flex adopts a standardised procurement process to simplify our requirements and associated processes, and Flex providers can enjoy a wide range of benefits when taking part in our tenders via this platform:

- Wider market visibility and transparency;
- Following stakeholder feedback requesting a single destination for an end to end procurement experience, we worked with Piclo and other UK DNOs to standardise and integrate the Pre-Qualification Questionnaire onto the PicloFlex platform. This step of the process allows providers to pre-qualify assets based on their technical capabilities to provide flexibility to the network prior to submitting a bid. Allowing providers to complete this on Piclo has removed the need to switch between multiple platforms to take part in our tenders, creating a more streamlined process.
- Further support through webinar demonstrations of the platform and 1-2-1 stakeholder sessions;
- Piclo's Dynamic Purchasing System (DPS) streamlines and speeds up the processes for flexibility procurement; facilitating qualification, auctions and contracts;
- Simplifies the process for Flex Providers now that Piclo has been adopted by three of the UK DNO's and National Grid.

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 assets within constraint zones. The map also shows both current requirements from 2023-28 (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 flexibility providers 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 ED2 and ED3 periods. Feedback from webinars revealed that 78% of stakeholders said the NDP gives them confidence on our commitment to flexibility for the future, especially when considering planned assets for flexibility provision.

In addition to signposting our requirements on our [website](#) and on the [Piclo Flex platform](#), we communicated our requirements: to all members of our [distribution list](#) via email, on the ENA [flexibility in Great Britain webpage](#), via press releases, ENWL social media platforms, included in our Incentives on Connections Engagement (ICE) activities, Innovation and Community Energy newsletters, and spoke at events and webinars hosted by these teams. This helps to ensure visibility of and accessibility to our requirements.

Following stakeholder feedback for a mix of webinars and in-person events, we were delighted to host our first in-person Flexibility event since Covid19 social-distancing measures were lifted. Held in collaboration with Piclo, SP Energy Networks and UK Power Networks, the event was held at the esteemed Science and Industry Museum in Manchester on Tuesday 14 June. *Growing DSO Flexibility Markets to Reach Net Zero* took place from 11:00am until 5:00pm and was followed by a drinks reception for attendees to network and catch up with colleagues from across the industry. We had a fantastic turnout with 57 attendees joining us on the day for DNO updates, panel Q&As and roundtable discussions. Each DNO discussed their priorities for flexibility services markets in our next business price control period, RIIO-ED2 and Piclo shared their investigation into market barriers which was carried out with the help of a group of Flexible Providers. Both sessions were followed by roundtable discussions focusing on market barriers and priorities for ED2. Common themes discussed across the room included: contracting, DSO, market data, connections, education and dispatch certainty. The feedback generated by the discussions will be considered and incorporated where possible into our future plans as we continue to look at ways we can improve our accessibility and transparency throughout our flexibility processes. The presentation slides and full event roundup can be found on our [Flexibility engagement page](#).

We also hosted two webinars in our 'DSO Functions' series in 2022. 'DSO Functions: Forecasting and Flexibility in the North West' webinar in April highlighted the opportunities for businesses to provide flexible services to the network and how this plays a part in the North West's journey to Net Zero Carbon. It also provided a run through of our new Network Development Plan and our current flexibility requirements. To watch this webinar or view the slidepack, [click here](#).

Our second DSO Functions webinar was held on 14 December and focused on *Data and Flexible Services*. The first half of the webinar provided a deep dive into a new online [Data Portal](#), with experts from our DSO team walking attendees through the data that is published, what it means, and how to use it to help inform potential connections, operations and trades on the network. The webinar was split into three sections: Forecasting and planning data, operational data and flexible services. We had a successful turnout with 47 out of 69 registrations attending on the day and 100% of attendees rated the webinar either very useful or useful. The webinar recording and slidepack can be found on our [engagement page](#). We also published the individual presentation recordings on the relevant webpages to act as a guide to the different types of data and how they relate to one another.

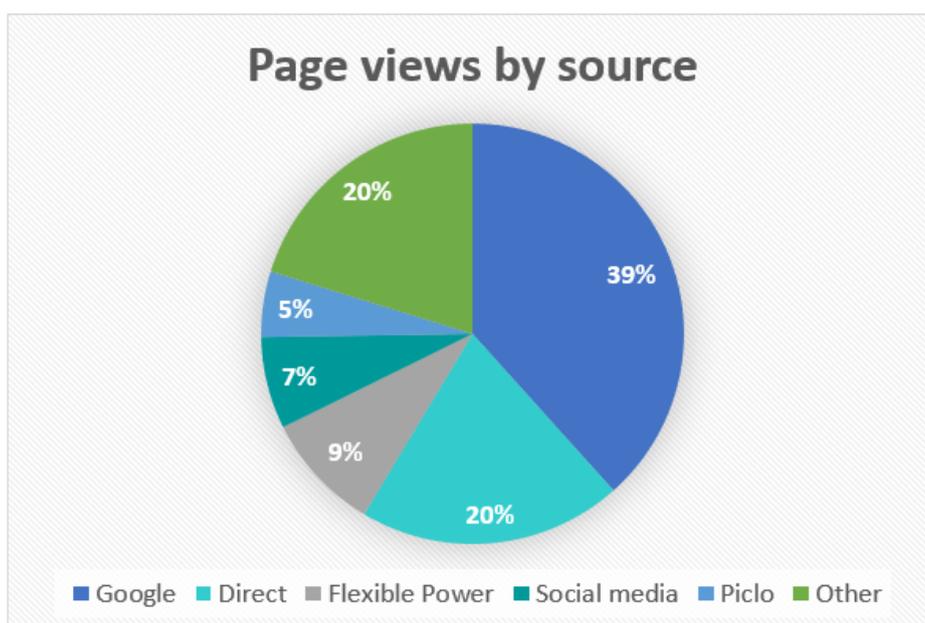
We held our first ever in-person regional events this year in areas of our region where we are seeking flexible services to meet with local customers in a casual setting to chat about: Net Zero, Flexible Services, Connections, Community Energy and answer any other questions they may have. Our first *Future Energy Roadshow* was held in Whitefield, Bury on Tuesday 15th November with the second being held on 7th December in Bolton By Bowland alongside the wider DSO team. The events were open to all and covered a variety of topics from flexible services, community and local energy,

net zero for business, domestic energy saving, new connections, and capacity. The key aim for these events was to educate those that don't typically engage with Electricity North West on DSO offerings and deliver events that meet the needs of our stakeholders. Having heard feedback that suggested events during the day aren't always accessible, these events were designed to allow attendees with an interest in net zero to come along at a time that suits them and have an informal conversation with ENWL employees on services and support available. The Whitefield event was open from 1 pm to 6 pm and the Bolton by Bowland was 8 am to 12 pm. The events had an overall attendance rate of 65% with 20 out of 31 registered attended the events on the day and 67% thought the events were excellent, with the remaining 33% rating them as good. The events were attended by a range of stakeholder types including: Local authorities, equipment manufacturers, installers, an ICP, domestic customers, and energy consultants. We plan to host more of these regional events in the new year to reach more customers across different parts of our region.

We were delighted to meet with stakeholders from across the energy industry to discuss the benefits of flexible services while exhibiting at [National Grid's Power Responsive Summer](#) event in London on 13 July. Expert speakers from Energy Networks Association (ENA), National Grid and Ofgem covered a range of Demand Side Flexibility topics whilst updates were provided by aggregators and DNOs including Electricity North West Flexible Solutions Manager, Keith Evans.

For the first time we provided dedicated Flexible Services resources at [Energy Innovation Summit](#). This annual conference, which took place in Glasgow, has historically been focused on the dissemination of innovation project learning. The decision to provide dedicated resources to the Electricity North West stand reflected the increased interest from attendees to the conference to discuss how they can participate within flexible services, as well as an increase in innovation within the industry directly associated with flexible services provision and trading of capacity. Whilst at the conference we were able to speak to service providers, manufacturers of equipment, and energy consultants; as well as delivering an on-stand presentation focusing on our DSO transition and the use of flexible services. There were a number of businesses who were interested to speak to DNOs about getting involved in flexible services and they said it was useful that we were present to provide dedicated support on this topic.

We are seeing increased traffic through all of our digital platforms. Using Google analytics, we can see that stakeholders are being drawn to the flexibility services website from a range of sources including google searches, newsletters, social media posts and PicloFlex. The charts below display the percentage of stakeholder traffic from the different sources mentioned above and the performance of our top 10 flexible services webpages compared to 2021. We have seen a significant increase in visits to our 'latest requirement', 'flexibility procurement statement' and 'previous requirements' web pages.



	Top 10 pages	Page views 2022	Page views 2021
1	Flexible Services homepage	2397	2459
2	Spring 2022 requirement	786	N/A
3	Understanding flexible services	747	899
4	Latest requirement	683	443
5	Flexibility procurement statement	424	235
6	Engagement	371	269
7	Pre-qualification questionnaire	357	385
8	Previous requirements	298	236
9	Autumn 2022 requirement	264	N/A
10	Request a 1-2-1 meeting	216	184
	Total flex page views	9204 (up 8%)	8518

Figure 3: ENWL Flexible Services 2022 website performance

3. Conduct procurement in an open and transparent manner

‘We are committed to being open and transparent when deciding how and why services have been procured from different solutions in order to meet network needs, such as flexibility services from the market, smart grid solutions and traditional network reinforcement. We will define common methodologies for all network operators to follow and be transparent about the criteria used in decision-making. The guiding principle underpinning all decisions is that the solution chosen must be most cost effective for consumers, while meeting the needs of all customers, the system and the networks.’



2.1 What we did

The results of our tenders are communicated out to our stakeholders directly via our distribution list, formal press releases, and updated on our website under ‘[Previous requirements](#)’. In 2022, we continued to publish a ‘results’ document following each tender round which details our decisions for each zone and whether bids were accepted or not. This helps to provide clarity to potential providers on the likelihood of bids being accepted and understand the level of liquidity within the region.

Within our 2022 procurement exercises we have utilised the [CEM tool](#) to calculate a ceiling price, which we published alongside the site requirements within our flexible services tenders. This provides participants the opportunity to see the maximum value which we are prepared to offer per annum for provision of the required services, and provides consistency as this same data will be used to evaluate

Providers' bids. Above this ceiling price the CEM tool has calculated that an alternative to the flexible service would be more economical or efficient to implement.

Following stakeholder feedback requesting more precise revenue information, we developed a new handy Cost Calculator tool to allow participants to calculate a bid price for utilisation and availability that falls within our budget for each zone and service period for each tender. Taking the format of an excel spreadsheet, the user can choose to enter the details of the competition manually, or use the tender finder tab which automatically populates the variables for the tender. A video demoing how to use this tool is available just below the appendices on our [latest requirements page](#).

In a move to generate confidence in the North West flexibility market space, we published half hourly forecasts of our requirements for the next five years within [appendix 4](#) of our Autumn 2022 tender which asks providers for 1050MW of flexible capacity in 30 locations across our region from 2023-28. This allows us to offer longer term flexibility contracts to providers and demonstrates our commitment to transparency and market engagement. This half hourly data will be published within all future tender appendices on our [latest requirements page](#).

We published our second annual [Distribution Flexibility Procurement Statement](#) in March 2022 and our first Procurement Report in April 2022. This statement outlines Electricity North West's plans for procuring Flexible Services for the upcoming regulatory year and reflects our approach for supporting the Flexibility market in Great Britain as we cooperate with other Distribution Network Operators (DNOs) to deliver simplicity, accessibility and transparency throughout our processes in this fast-developing new sector. This statement follows a consistent format across DNO's providing a useful guide detailing how we procure, engage, evaluate flexible services. The Report details the outcomes of the services procured and dispatched in the previous regulatory year. We welcome feedback on the format and usefulness of these documents to help further improve the information that we publish in the future.

4. Provide clarity on the dispatch of services

'Following transparency in the procurement process, we will take a fair and clear approach to the dispatch of flexibility services to meet electricity system or network needs by setting out the terms and methodology adopted. This includes any decision-making criteria underpinning the dispatch of services.'



4.1 What we did

We completed work within the Open Networks Project to develop a range of standardised [baselining methodologies](#) which can be used across the industry when measuring and settling flexible services dispatch contracts. We encourage participants within our tenders to engage with us regarding the baselining methodology which represents the best solution for their sites asset type and the level of data they are able to provide of historical and future usage patterns. The supported baselines are:

- Mid 8-in-10: A rolling historical baseline which uses data from the "middle" of the last 8 of 10 days.

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

An industry standard [baselining tool](#) and user guide has also been produced to allow for participants to verify their baselines, delivering transparency into how baselines are calculated by DNOs.

The [2022 Distribution Flexibility Procurement Report](#) has details of what we’ve contracted and dispatched – this was our first time publishing it. We’ve asked for feedback etc and still encourage it as per above.

We are collaborating through the Open Networks Project Product 5 to develop and implement a series of ‘Primacy Rules’. These rules are being developed in order to manage conflicting overlaps in Flexibility provision to the ‘whole electricity system’. The aim of this product is to increase collaboration and transparency with other network and system operators, reducing barriers to entry for flexible services providers, and making efficient Whole Electricity System investment decisions reducing costs to billpayers. Predominantly these conflicting overlaps occur where the Electricity System Operator (ESO) procure flexibility services from resources which are connected via the distribution network. In the event that the service is engaged this may result in creating constraints to the distribution network that subsequently require the DNO to take actions, to prevent network damage, that may negate the requested service resulting in the ESO not achieving the desired effect and additional costs being borne by electricity system users. Within 2022 we have carried out simulated trials of a proposed primacy rule relating to ESO Balancing Mechanism units in areas where DNO flexible services are being actively utilised; subsequently following on from the success of these trials the proposed rule is currently due to be adopted by all DNOs by April 2023 (subject to approval). Two other use cases have been analysed and potential primacy rules have been developed and consulted upon. The product is due to continue in 2023 to develop further primacy rules for further use cases and implement these where applicable.

Through the Open Networks Project Product 3 working group we are developing common and standardised processes for the dispatch and settlement of Flexible Services. The key aim of this work is to ensure that there is a common framework of signalling which participants can adopt across the UK when delivering Flexible Services to any of the DNOs or ESO. We are keen to support this work as we recognise this is perceived currently as one of the largest barriers for participants providing services to multiple network and system operators. The consensus of the P3 group is that the communication of dispatch and settlement requirements is best handled at scale via Applications Programming Interfaces (APIs) as this will enable the use of automated systems to process dispatch requirements. The ongoing work in 2023 will look to produce a common API which can be utilised across the UK. It has also been agreed that it will also be necessary to provide backup methods for dispatching and settling services to ensure services can be dispatched in the event of a failure of systems associated with an API or where it is not efficient, affordable, or desired for participants to implement API systems.

The team have been providing technical and commercial support to the development of the companies Active Network Management system (ANM). The system has been in its final stages of development and testing, before going into business as usual usage within 2023. This system will automate a number of system control functions providing our operations teams the capabilities to increase the signalling of control decisions to distributed energy resources. A key feature of this system will be the automated dispatch of Flexible Services, increasing the utilisation of these assets; and in future, increase the range of network constraints that Flexible Services can help to resolve

5. Provide regular, consistent and transparent reporting

‘Having committed to be transparent in our processes and methods, we will then also provide regular, consistent and transparent monitoring and reporting to provide confidence to the public and ensure all parties learn from what flexibility is used, why and how this contributes to running energy networks in a smarter, more efficient way. All decisions and reasoning, such as traditional reinforcement compared to flexibility services options and cost-benefit analysis, will be clear and readily available. We are committed to sharing these and best practice across the wider industry.’



3.1 What we did

Open and accessible data is a central theme across our commitments under our [ED2 Business Plan](#), the Open Networks Project and the 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.

Following stakeholder feedback regarding quick and easy access to support and advice, we expanded our online resource offering, publishing additional flexible service guidance documents on [our website](#) as well as updating existing materials to facilitate understanding and participation. Following our events 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 accessible as possible for our customers at a time that is convenient for them.

We strive to make the process of providing flexibility to the network as simple and seamless as possible for both local and national players by helping to remove barriers to participation and encourage growth in the UK flexibility market space. Within our 2022 [Distribution Flexibility Procurement Statement](#) we committed to conducting a consultation over the summer months to capture our stakeholders’ feedback on how we can help to remove any barriers to entry into our flexibility markets and how we should shape these markets of the future to best suit everyone’s needs. The consultation outlined our current processes for signposting, procuring, dispatching, and settling flexible services and asked for stakeholder feedback on what we could do to improve these processes, and how providers would like to see these evolve in the future. In addition to responding via email and online form, we offered stakeholders a quick and easy way of taking part via polls during our dedicated consultation webinar on 14th September. During the webinar we talked through our consultation document and used polls to capture responses to each question. Following positive feedback, we plan to incorporate more polls into our future events as an efficient tool to engage with attendees. The full consultation document, webinar recording and response summary which provides an overview of main responses received and our plans for taking it forward can be found on [our website](#).

We continued our commitment of providing regular, consistent and transparent reporting by issuing our quarterly newsletter to over 300 stakeholders on our distribution list; providing updates on future requirements, results of our tenders, and upcoming events. We keep a [newsletter archive](#) on our website

so that stakeholders can follow our journey and keep up to date with any new opportunities in our area. To reach wider audiences, we also included flexible services updates in Electricity North West's Stakeholder Engagement, Community and Local Energy and Incentive on Connections Engagement newsletters, and promoted our distribution list, upcoming tenders, events and flexible services updates across our social media channels and external industry newsletters.

In 2022 following stakeholder requests for examples of flexible services, we developed and published [Flexible Services case studies](#) on our website to help our stakeholders to conceptualise what the various types of Flexible Services look like and how Flexibility Providers can participate in our tenders. These studies were promoted alongside our tender to support anyone completely new to the market in understanding the end to end process. The studies cover all steps of the process of providing flexibility to the network from procurement to dispatch and covers a range of products (responses), and assets. We will look to build on this collection to incorporate more scenarios including an aggregated portfolio.

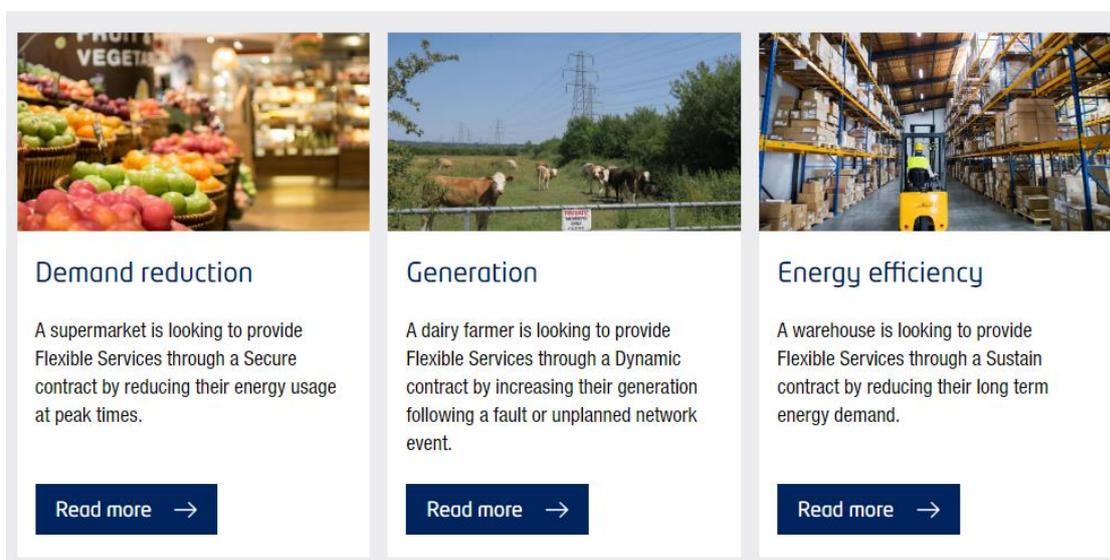
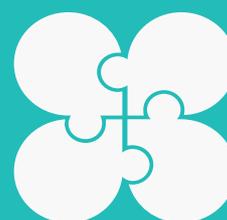


Figure 4: New case studies available on website

Following the close of our Autumn 2021 and Spring 2022 tenders, we produced a report detailing the results of each tender to provide clarity on the bids which are accepted and rejected, as well as showing the contract lengths and the bid price accepted. This information delivers transparency in the procurement process as well as giving future market participants an insight into the potential values of revenue they could expect to achieve by participating. This information can be accessed via the [Previous Requirements](#) webpages. Future tender results will be reported following the format of the Spring 2021 tender.

6. Work together towards whole energy system outcomes

'All ENA member electricity networks will continue to work closely to facilitate coordinated and efficient arrangements which benefit households and businesses, including activities relating to the decarbonisation of heat and transport. This work is being expanded to the wider energy industry, including the gas, heat, transport and waste sectors, to ensure that changes deliver the best outcomes for everyone on a whole energy system basis. This applies to all six of the steps outlined above'



6.1 What we did

We collaborated with other DNOs throughout 2022, adopting consistent approaches informed by stakeholders across the entire flexibility process as we work together to facilitate decarbonisation across Great Britain. These collaborations include:

We have continued to support [the Open Networks project](#), providing a representative to all Workstream 1A products to ensure our stakeholders views and interests are supported through the work to standardise the Flexible Services integration into Distribution System Operation. Some key highlights from this year's work within WS1A:

ENA Open Networks project Workstream 1A- Flexibility Services	
WS1A P1 CEM tool and methodology	We have continued to lead the work on the Common Evaluation Methodology (CEM) tool with further refinements being delivered and tested within Electricity North West in 2022. The product team have also produced a Good Practice Guide for the methodology and tool, much of which has been developed using our own experiences of utilising the tool.
WS1A P3 Dispatch Interoperability and Settlement	We have been an active participant in the work to develop standardised methods of dispatching and settling flexible services. We support the products recommendations that the primary method of communications should be via a common Applications Programming interface (API). We have strongly advocated that standardised alternative methods of communications are also required where it is not efficient, affordable, practical, or desired for participants to implement API systems.
WS1A P4 Standardised Agreement	We continue to support the work on the standardised agreement. The agreement has been published as appendix 1 of our tenders and we remain committed to utilising the agreement without variation. We have had a few challenges and proposed amendments to some of the terms contained within the standard agreement during the course of the tender process. Where providers have challenged specific terms and conditions within the agreement we have fed these back to the Open Networks product team for a whole Electricity system assessment of the proposed amendments to ensure consistency across the UK.
WS1A P5 Primacy Rules	As well as being an active participant within the Primacy product team; we have been carrying out simulated trials of a proposed primacy Rule where there are anticipated conflicts in service between DNO procured flexible services, and the ESOs Balancing mechanism service. As we do not currently have any actual conflicts within our licence area the simulated trials provide the opportunity to test the Primacy rule under more extreme scenarios which would present the highest risk of conflict, whilst being extremely low in probability.
WS1A P6 Products	We re-affirmed our commitment to endorsing the standardisation of Flexible Services products across the UK through our work on P6 this year. ENWL lead a gap analysis of the current differences between how different DNOs had integrated the common Flexible Services products into business as usual. We were happy to confirm that we were fully aligned to all of the standardised products as developed within the 2020 WS1A P3 – Active Power Products group.

ENA Open Networks project Workstream 1A- Flexibility Services	
WS1A P7 Carbon Reporting	We have supported the work to develop a common methodology for carbon reporting of Flexible Services procured and dispatched. This addresses previous challenge from stakeholders that we should be comparing the impacts of utilising Flexibility compared to conventional network reinforcement solutions. We will adopt the framework for carbon reporting proposed by the product and will incorporate its outputs into our SLC 31E submissions later in the year.
WS1A P8 ANM - Curtailment Information	We have agreed on a common approach to providing pre-connection curtailment assessment and reporting. This will allow network users to assess the anticipated levels of curtailment they may expect to experience if they were to connect to the network under a flexible connections contract and give them confidence over the uncertainty which the risk of curtailment can bring to financing a project. Flexible Services Providers are particularly interested in these forecasts, as curtailment may have an impact upon when they can provide services to system and network operators.

The team have provided support to the innovation team on a number of projects which they have underway. Innovation projects support the transition to net zero, provide greater market liquidity and opportunities for providers, increase transparency, and support market standardisations. Some of the project we have been involved in this year include:

	BiTraDER will investigate, design, build and trial – live on the network – options for the introduction of a bilateral trading market through which large connected customers can trade their position in the merit order stack, which determines the order in which they are asked to curtail their output at times of high demand on the network. BiTraDER aims to reduce barriers to the connection of low carbon generation on the network, boost value for connected resources, and bring down whole system costs by adding value to the flexibility market. The team’s involvement is to provide commercial support to the development of the trading platform, and trading rules; as well as the technical integration into the Active Network Management (ANM) system alongside DNO procured flexible services. It is envisioned that through participants being able to participate in Peer to Peer trading this will help to grow the flexible services market liquidity; enabling network and system operators to gain access to a larger pool of flexibility resources; as well as providing participants with the option to stack revenues streams increasing their overall value proposition.
	Transition is a joint project with Scottish and Southern Electricity Networks (SSEN) to develop and demonstrate a ‘Neutral Market Facilitator’ (NMF) platform. This will test the operation of the proposed market models developed by the Electricity Network Association’s Open Networks Project and pave the way for DSO transition.
	Building upon learning and outputs from previous projects, QUEST will identify and trial novel methods to deliver a business-ready solution which will integrate and optimise the techniques in use across the whole distribution system. Proven technology will be combined with innovative software in our Network Management System (NMS) to co-ordinate a number of discrete techniques already deployed on our network such as Smart Street, and future systems such as active network management. The team’s involvement within this project is to provide commercial support to the project and ensure that DNO procured flexible services are prioritised correctly when optimising different automation systems.

Looking forward to 2023

Our approach to procuring flexibility services continues to evolve as markets develop and confidence builds in the use of these services. In ED1 we helped to create, through the Open Networks Project, the common products and processes for signposting, procuring, evaluating and purchasing flexibility including its dispatch, baselining and settlement as well as coordination rules. This collaborative work will continue in ED2 ensuring that we are choosing flexibility first and promoting and purchasing energy efficiency solutions to support a smart and flexible system that delivers capacity to customers at the most efficient price.

In line with the assurances of the Open Networks Project and to deliver on the commitments of the [Smart Systems and Flexibility Plan](#), in 2023 we are committed to achieving consistency and standardisation of flexibility services across Great Britain. This year we will:

- Continue to **support the development of emerging markets** by helping potential customers to realise the benefits that flexibility services can bring, breaking down barriers to participation, maintaining strong engagement with customers on both a regional and more local level and increasing awareness of opportunities to new market participants.
- Support the roll out of **Pre-Sense**. By the end of March, we will have 5,400 units installed which will provide monitoring of our lower voltage substations, allowing us to have access to real time data of the loading on these substations, and subsequently offer flexibility services for these sites too.
- Continue to develop and implement **Primacy Rules** for the ESO and the DNOs to manage service conflicts and deliver whole system outcomes.
- Continue to support the development of standardised **dispatch and settlement** protocols and procedures.
- Implement the companies **Active Network Management system (ANM)** into business as usual operation and further develop the abilities to carry out automated dispatch of flexible services.
- Continue to support **innovation projects** such as BiTraDER, Quest and Transition, that encourage the transition to net zero, provide greater market liquidity and opportunities for providers, increase transparency, and support market standardisations.
- Continue work on the **Common Flexibility Agreement** incorporating stakeholder feedback and facilitate ESO adoption by moving towards a framework style;
- We will work with Piclo and other DNOs to draft an '**Asset Delivery Plan**' document that captures information from flexible providers in a standardised way, about any planned assets they have submitted for a given competition.
- Publish an updated **Distribution Flexibility Procurement Statement** on our website by 31 March 2023, and the second iteration of the Distribution Flexibility Procurement Report by 30 April 2023.

We will continue to embed the ENA’s six flexibility commitments into everything we do, however, we are always looking to improve or approach. If you have any feedback on how we can improve and help to embed these commitments further into our processes, then please complete our [feedback form](#), or contact us directly [here](#).



Figure 5: The importance of data and digitalisation in managing the transition to a smarter and flexible energy system

USEFUL LINKS

Link name	URL
ENWL Flexibility Services portal	Flexible Services (enwl.co.uk)
Piclo Flex platform	https://picloflex.com/
Energy Networks Association website	https://www.energynetworks.org/
Sign up to receive our flexibility newsletters and event invites	Register for updates (enwl.co.uk)
Request a one-to-one discussion with a member of our team	Request a one-to-one discussion (enwl.co.uk)