

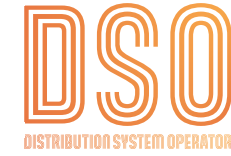
# DSO

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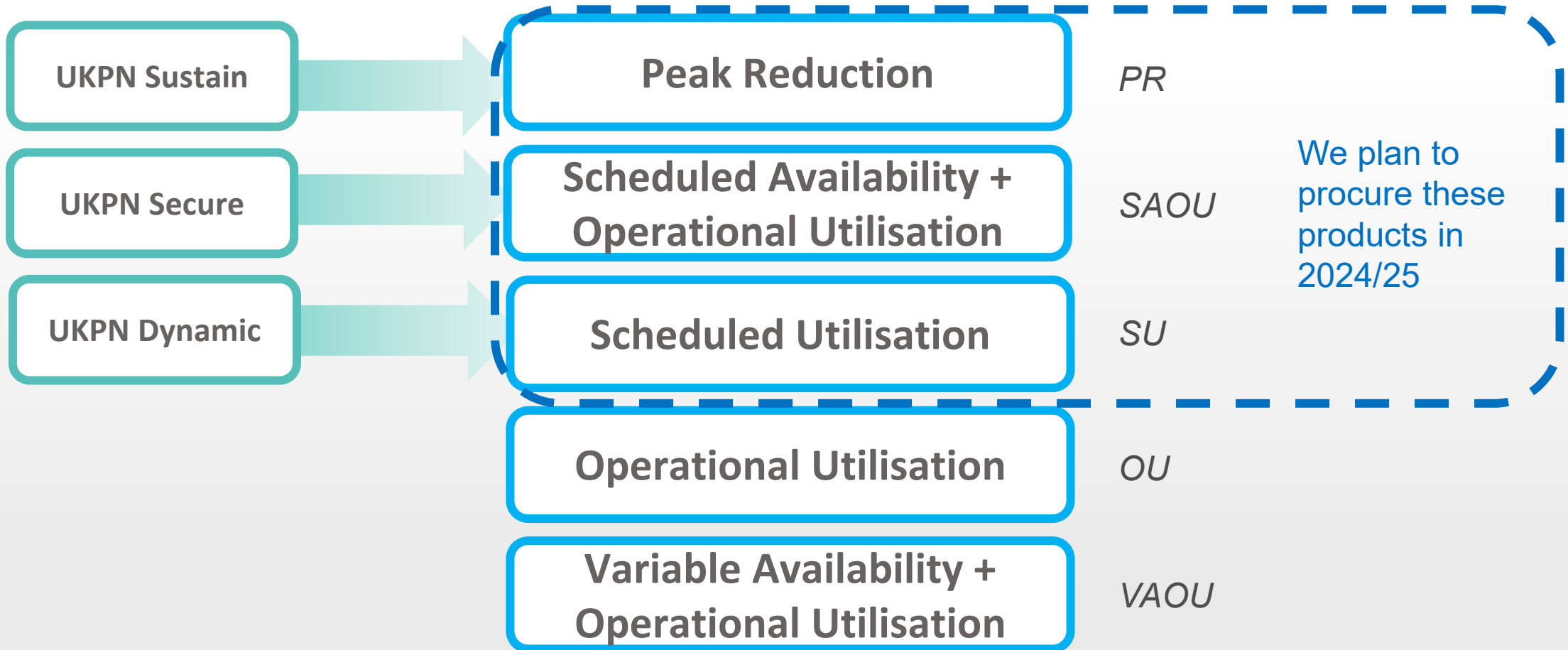
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**Flexibility Product Update**  
**Mar-2024**

# Flexibility products are changing!

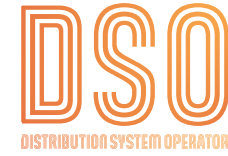


- ENA standard flex products have been updated, all DNOs are rolling out in first half of 2024\*
- Product names are changing – this is how UK Power Networks’ products map over



\* [https://www.energynetworks.org/publications/on-flexibility-products-review-and-alignment-\(feb-2024\)](https://www.energynetworks.org/publications/on-flexibility-products-review-and-alignment-(feb-2024)). We currently have no plans to use OU and VAOU

# Products represent different ways of offering and delivering flex



- Standard products enable smooth transactions between buyers and sellers of flex
- Products are chosen to meet different network and provider needs

## Peak Reduction

Contract awarded through a long-term tender where the flex provider reduces their highest demand peaks during contracted windows

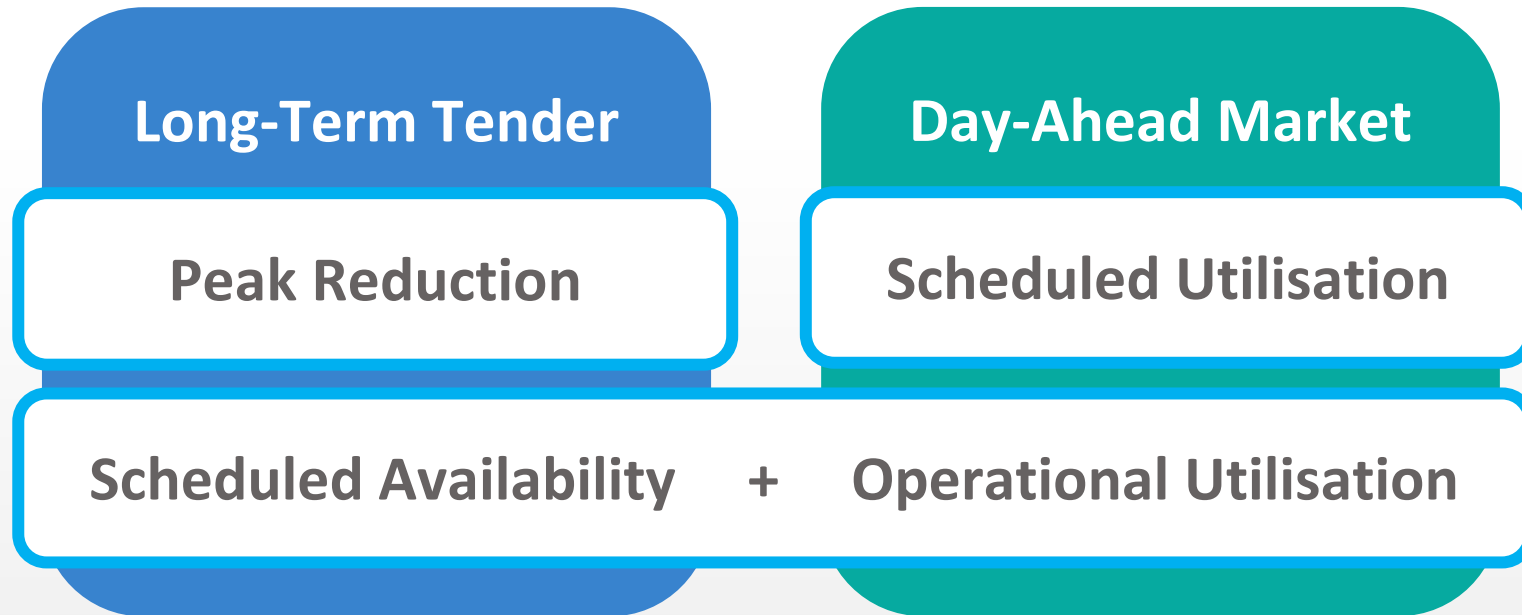
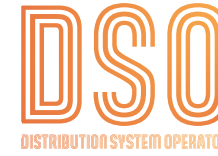
## Scheduled Availability + Operational Utilisation

Contract awarded through a long-term tender where the flex provider commits to be available during contracted windows, with utilisation confirmed at day-ahead

## Scheduled Utilisation

Contract awarded through a day-ahead auction where the flex provider agrees to deliver their flex for the following day

# Products are procured or utilised at different timeframes



- Biannual long-term tenders
- ~0.5-3 years ahead of need
- Procuring PR and SAOU
- Enables reinforcement deferral

- Regular D-1 auctions
- Optimise SU procurement with utilisation of SAOU
- Top-up and drives competition

# Which product is right for me?



	<u>Utilisation notice</u>		<u>Length of contract</u>		<u>Solution Status</u>	
	Day-ahead	Long-term scheduled	Short	Long	Planned	Existing
Peak Reduction		✓		✓	✓	✓
Scheduled Availability + Operational Utilisation	✓			✓	✓	✓
Scheduled Utilisation	✓		✓			✓

Peak Reduction

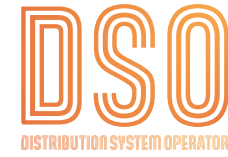
Scheduled Availability + Operational Utilisation

Scheduled Utilisation

# What happens next?



- New products procured from TR10 (spring 2024 long-term tender) and DA market (April 2024)
- New products available on Localflex platform at launch in April 2024
- Framework contract will reference old and new product names to cover TR9 and TR10 awards.
- Previously awarded Secure and Sustain contracts continue on their awarded terms and conditions (albeit referred to using new product names)
- Providers previously awarded Dynamic contracts can participate in the DA market on their current terms and conditions.
- Future updates to the DA market terms and conditions in future will require all Providers to agree to the new terms to participate.



# Product Parameters

ENA parameter formatting

# Peak Reduction



Purpose	Common Product Parameter		UKPN notes
Structure	Payment Structure	Utilisation Only	✓
	When prices are set (procurement timescales)	At trade	✓
Availability	Availability Request Mechanism	N/A	✓
Utilisation	Utilisation Payment Unit	£/MWh	✓
	Utilisation Period	Settlement Periods	✓
	Delivery Expectation	Peak Delivery	✓
	Maximum Response Time	N/A	✓
	Payments during response time?	No	✓
	Minimum Utilisation Time	30 mins	✓
	Minimum Utilisation Volume	End state: N/A Interim: differs per DNO	10kW
	Utilisation Instruction Timings	At trade	✓
	Partial Utilisation Instruction possible	End State: Yes Interim: differs per DNO	Yes (at trade)
Time Variable Utilisation Volumes Allowed	End State: Yes Interim: differs per DNO	TBC	

\* UK Power Networks' trade timeframe for this product is at long-term tender



# Schedule Availability + Operational Utilisation



Purpose	Parameter Name	Day ahead response
Structure	Payment Structure	Availability and Utilisation
	When prices are set (procurement timescales)	At trade
Availability	Availability Request Mechanism	Request initiated by DNO
	<b>Availability Acceptance timing</b>	At trade
	<b>Availability Refinement timing</b>	Not allowed
	Availability Changes Allowed?	No
	Minimum Aggregate Unit Size	End state: N/A Interim: differs per DNO
	Partial Availability Acceptance Possible?	End State: Yes Interim: differs per DNO
	Time Variable Availability Volumes Allowed	End State: Yes Interim: differs per DNO
	Availability Payment Unit	£/MW/H
	Availability Period	Settlement Periods
Utilisation	Utilisation Payment Unit	£/MWh
	Utilisation Period	Minutes
	Delivery Expectation	Continuous
	Maximum Response Time	N/A
	Payments during response time?	No
	Minimum Utilisation Time	30 mins
	Minimum Utilisation Volume	End state: N/A Interim: differs per DNO
	Utilisation Instruction Timings	Operational - Day Ahead
	Partial Utilisation Instruction possible	End State: Yes Interim: differs per DNO
	Time Variable Utilisation Volumes Allowed	End State: Yes Interim: differs per DNO

\* UK Power Networks' trade timeframe for this product is at long-term tender

# Schedule Utilisation



Purpose		Common Product Parameter	
Structure	Payment Structure	<b>Utilisation Only</b>	
	When prices are set (procurement timescales)	<b>At trade</b>	
Availability	N/A	<b>N/A</b>	
Utilisation	Utilisation Payment Unit	<b>£/MWh</b>	
	Utilisation Period	<b>Settlement Periods</b>	
	Delivery Expectation	<b>Continuous</b>	
	Maximum Response Time	<b>N/A</b>	
	Payments during response time?	<b>No</b>	
	Minimum Utilisation Time	<b>30 mins</b>	
	Minimum Utilisation Volume	<b>End state: N/A Interim: differs per DNO</b>	
	Utilisation Instruction Timings	<b>At trade</b>	
	Partial Utilisation Instruction possible	<b>End State: Yes Interim: differs per DNO</b>	
	Time Variable Utilisation Volumes Allowed	<b>End State: Yes Interim: differs per DNO</b>	

\* UK Power Networks' trade timeframe for this product is at day-ahead

# DSO

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