

▷ DSO

Revenue Stacking for Flexibility

Current state of play & future recommendations

13/12/2023

nationalgrid



Agenda

1. Introduction

2. Summary Report findings

3. Next steps

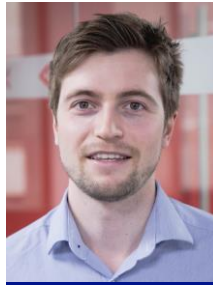
4. Questions



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National Grid and DSO

- National Grid Electricity Distribution is the largest DNO by area in the UK
- DSO functions sit in their own directorate
- We have been building DSO capabilities since early ED1
- We have been publishing producing DFES since 2020, DNOA documents since 2021 and procuring flexibility service since 2018
- Building on this success, we have launched our DSO Charter to focus our actions in ED2



Our Flexibility Services

**Focussed on
Constraint
Management**

**Procured across
various time frames**

**First DNO to introduce
an Overarching
Contract**

**>£4m market
opportunity**

**Over 450MW (6500
assets) registered on
our Market Gateway**

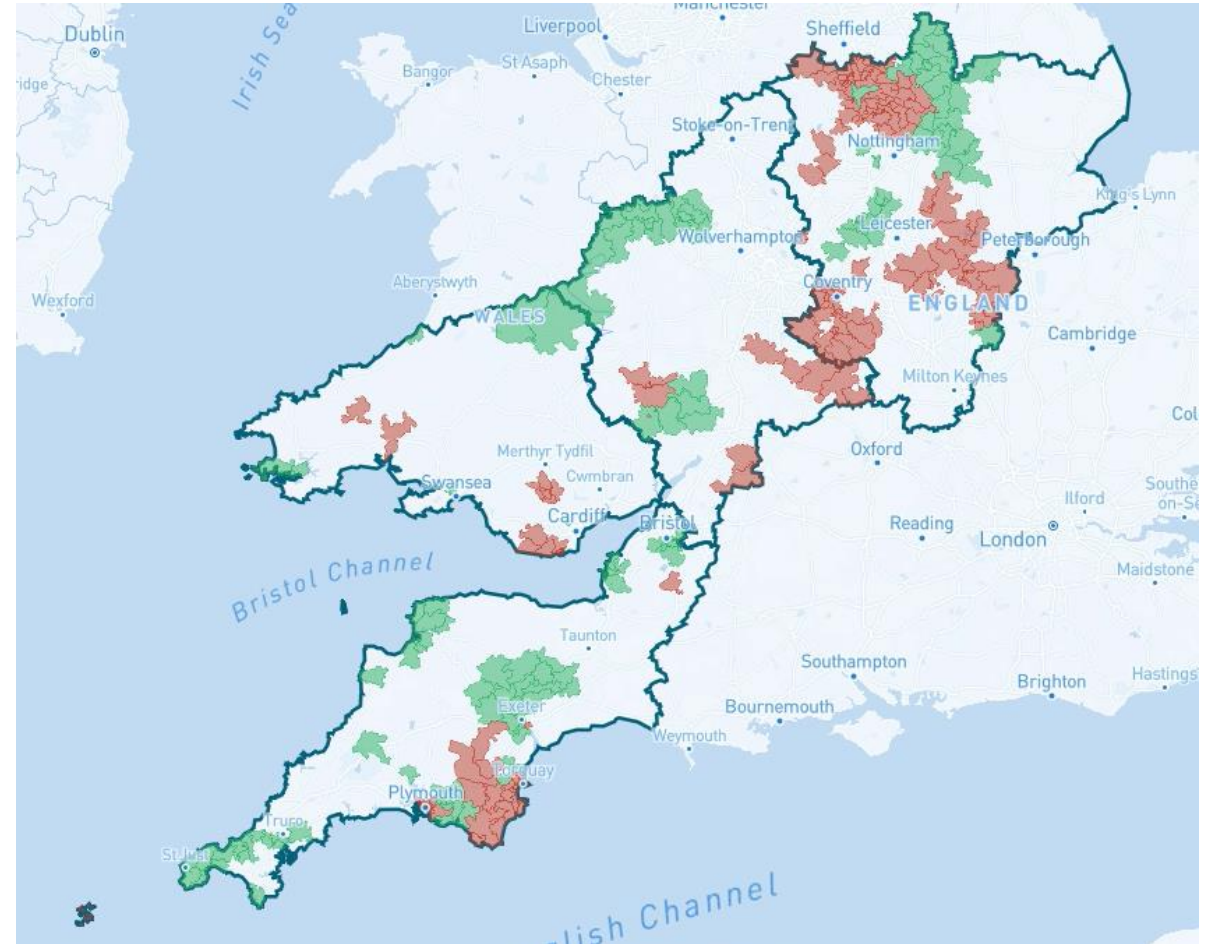
**Procurement in 38 HV
and 1300 LV zones so
far this year**

We have short term trades clearing weekly. Our next long term trades open on January 15th.

For more information visit www.flexiblepower.co.uk or contact NGED.flexiblepower@nationalgrid.co.uk

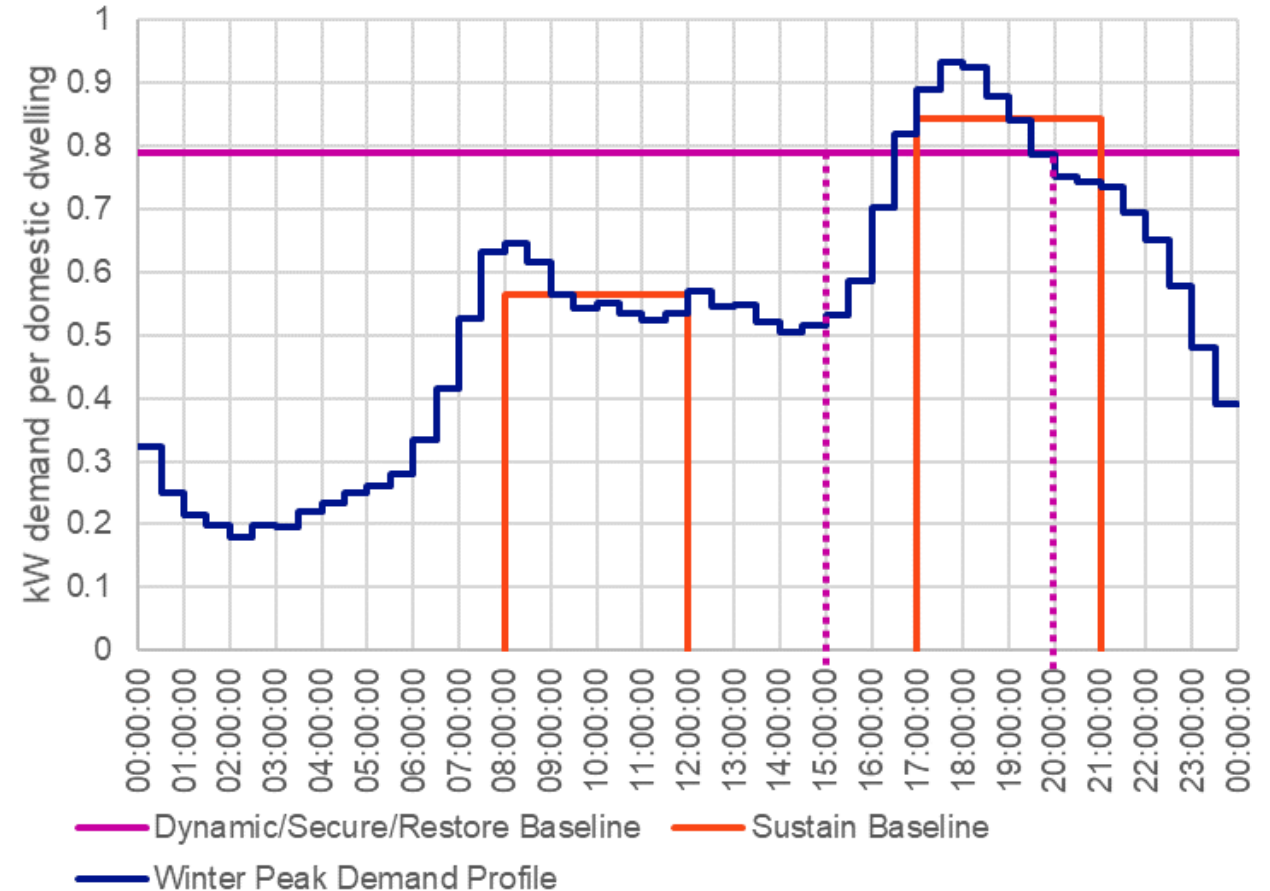
Importance of revenue stacking

- The need for DSO flexibility services has historically outstripped supply
- We want to build liquid local markets to allow us to defer more reinforcement, drive competition in delivery and drive value for our customers
- Given the inherent challenges associated with DSO services (Geographically constrained, time bound needs), it is essential we lower the opportunity cost of service provision.
- DSO pricing is fixed against the cost of reinforcement so unit values are higher when volume are lower
- Revenue stacking sits alongside wider work to simplify access to our services



Previous work in this space

- Has been a focus from our earliest developments. Our weekly process was built around the flexible STOR contracts
- Commissioned previous work by Cornwall into the topic. This fed into the Open Networks project
- Investigation of impacts on Supply Market in IntraFlex project
- Baselines reviewed to simplify and aid stacking



Cornwall Insight review of flexibility revenue stacking



Background

Cornwall Insight prepared a report **exploring the extent to which flexible service providers (FSPs) can stack revenue streams** (commissioned by National Grid Electricity Distribution).

Particularly focusing on the way in which services being procured by Distribution Network Operators (DNOs) integrate with other, more established revenue streams.

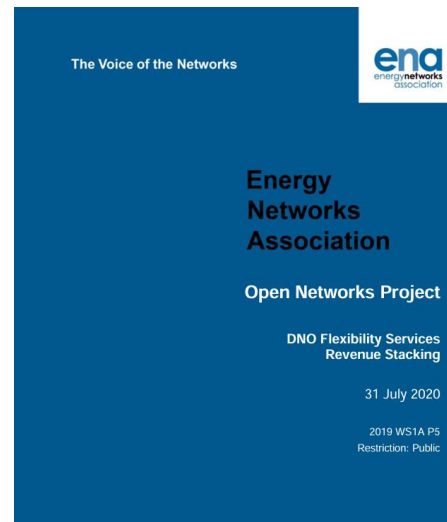
WPD DNO Services Revenue Stacking (March 2020)

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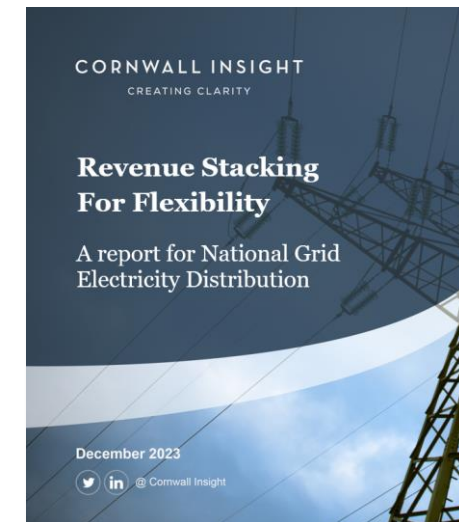
**WESTERN POWER
DISTRIBUTION**

Serving the Midlands, South West and Wales

DNO Flexibility Services:
Revenue Stacking (July 2020)



Revenue Stacking for Flexibility
(December 2023)



Progress against the previous report

Many of the recommendations from our previous report remain **relevant today**, although the context may have changed slightly within the broader remit of a changing system and modified balancing services to meet changing system need. They **can be summarised as:**

Flexible asset providers remain able to move between revenue streams in different time periods much more readily than they are able to stack multiple revenue streams in the same time period.

There remain opportunities for greater coordination across services being procured by the ESO and DNOs and the timescales for procurement and dispatch.

Participants have highlighted that the ESO and DNOs could work together to standardise contracts further.

DNO services tend to have primacy over a range of ESO services where there is a conflict. Though progress has been made on co-ordination and a hierarchy of services through primacy workstreams.

Generally, newer services and procurement rounds are learning lessons from previous generations and generally improving in terms of access and ability to jump. However, this is not universal.

Fundamentally, at present:

- The ease of access to information on stacking is low
- Interactions can be unclear and open to interpretation
- There may be misunderstanding in how services can be stacked

Methodology

There are nuances to how and when assets can earn revenues from each of these services co-optimally. Therefore, **we have assessed the “stacking” of revenues under three different definitions:**

Jumping	<ul style="list-style-type: none">• Revenue from the same asset and MW, but during adjacent or different time periods
Splitting	<ul style="list-style-type: none">• Multiple services from the same asset in the same time period, but not from the same MW
Co-delivery	<ul style="list-style-type: none">• Multiple service revenues from the same MW in the same time period in the same direction

We note that in most instances there is no single definition on the explicit interaction between services and how these would be concurrently provided by FSPs. In order to distinguish between **the different levels of clarity in stacking, we have broadly classified between services as follows:**

Explicitly stackable	<ul style="list-style-type: none">• Rules or guidance explicitly state the alignment and ability to co-optimize services
Implicitly stackable	<ul style="list-style-type: none">• Based on our understanding of market rules, there is nothing explicitly preventing this
Implicitly unstackable/ technical issues arise	<ul style="list-style-type: none">• As above, operational challenges mean FSPs unlikely to be able to or want to co-deliver
Explicitly unstackable	<ul style="list-style-type: none">• Rules or guidance explicitly state revenues cannot be co-optimized across services

Jumping between services remains the most viable form of revenue stacking

Ability to jump between different services

Revenue stream/ Service	Wholesale	Balancing Mechanism	NIV Chasing	Capacity Market	Short Term Operating Reserve	Firm Frequency Response	Enhanced Reactive Power Service	DSO services	Local Constraint Market	MW Dispatch Service	Demand Flexibility Service	Slow Reserve	Quick Reserve	Balancing Reserve	Electricity Restoration Services	Dynamic Containment	Dynamic Moderation
Balancing Mechanism	Explicitly stackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
NIV Chasing	Explicitly stackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Capacity Market	N/A	N/A	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Short Term Operating Reserve	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Firm Frequency Response	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Enhanced Reactive Power Service	Explicitly stackable	Explicitly stackable	Implicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
DSO services	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Local Constraint Market	Explicitly stackable	Explicitly unstackable	Explicitly stackable	N/A	Implicitly unstackable	Implicitly unstackable	Implicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
MW Dispatch Service	Explicitly stackable	Explicitly unstackable	Explicitly stackable	N/A	Implicitly unstackable	Implicitly unstackable	Implicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Demand Flexibility Service	Implicitly stackable	Explicitly unstackable	Implicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Slow Reserve	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Quick Reserve	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Balancing Reserve	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Electricity Restoration Services	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Dynamic Containment	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Dynamic Moderation	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Dynamic Regulation	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Implicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable

Jumping between services remains the most viable form of revenue stacking

Consideration of delivery windows is important; more granular windows support stacking, but there may be good reason to have longer-procurement windows

Services are in competition with each other – FSPs are more likely to focus on those with highest value, more jumpable, and those with greatest accessibility

Situations preventing jumping can include strict exclusivity clauses, BMU requirements, & ANM schemes

Key

- Explicitly unstackable
- Implicitly unstackable
- Implicitly stackable
- Explicitly stackable

Source: Cornwall Insight

Service splitting has become more available, but challenges and complexities remain

Ability to split different services

Revenue stream/ Service	Wholesale	Balancing Mechanism	NIV Chasing	Capacity Market	Short Term Operating Reserve	Firm Frequency Response	Enhanced Reactive Power Service	DSO services	Local Constraint Market	MW Dispatch Service	Demand Flexibility Service	Slow Reserve	Quick Reserve	Balancing Reserve	Electricity Restoration Services	Dynamic Containment	Dynamic Moderation
Balancing Mechanism	Explicitly stackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
NIV Chasing	Explicitly stackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Capacity Market	N/A	N/A	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Short Term Operating Reserve	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Firm Frequency Response	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Enhanced Reactive Power Service	Explicitly stackable	Explicitly stackable	Explicitly stackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
DSO services	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Local Constraint Market	Explicitly stackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
MW Dispatch Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Demand Flexibility Service	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Slow Reserve	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Quick Reserve	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Balancing Reserve	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Electricity Restoration Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable
Dynamic Containment	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable
Dynamic Moderation	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly stackable	Explicitly unstackable
Dynamic Regulation	Explicitly stackable	Explicitly stackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	Explicitly unstackable	N/A	Explicitly stackable	Explicitly unstackable

Service splitting has become more readily viable, notably for nameplate ESO services, wholesale, and the BM

However, this can rely on interpretation of service terms, guidance if available, ensuring providing one service does not inhibit ability to provide the other, and providing two services does not result in penalty

Splitting of DSO services remains challenging, particularly with ESO services. Requirements to be a BMU and submit PNs can also be prohibitive

Key

- Explicitly unstackable
- Implicitly unstackable
- Implicitly stackable
- Explicitly stackable

Source: Cornwall Insight

Co-delivery remains unviable for most services, but this may be with good reason

Ability to co-deliver different services

Revenue stream/ Service	Wholesale	Balancing Mechanism	NIV Chasing	Capacity Market	Short Term Operating Reserve	Firm Frequency Response	Enhanced Reactive Power Service	DSO services	Local Constraint Market	MW Dispatch Service	Demand Flexibility Service	Slow Reserve	Quick Reserve	Balancing Reserve	Electricity Restoration Services	Dynamic Containment	Dynamic Moderation	
Balancing Mechanism	Yellow	Black	Light Blue	Light Blue	True co-delivery remains unviable for most services – with the exception of the CM – this may be with good reason	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
NIV Chasing	Orange	Orange	Black	Light Blue														
Capacity Market	Green	Green	Green	Black	Interpretation can depend on the circumstance or structure of the service - e.g. how to define reverse actions or payments for availability but not utilisation, and if this should be further considered in service designs	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Short Term Operating Reserve	Orange	Orange	Orange	Green														
Firm Frequency Response	Orange	Orange	Orange	Green	Light Blue	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Enhanced Reactive Power Service	Orange	Orange	Orange	Orange														
DSO services	Green	Orange	Green	Orange	Light Blue	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Local Constraint Market	Yellow	Orange	Orange	Green														
MW Dispatch Service	Yellow	Orange	Orange	Orange	Light Blue	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Demand Flexibility Service	Orange	Orange	Orange	Orange														
Slow Reserve	Yellow	Orange	Orange	Green	Light Blue	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Quick Reserve	Yellow	Orange	Orange	Green														
Balancing Reserve	Yellow	Orange	Orange	Green	Light Blue	Orange	Orange	Orange	Black	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Electricity Restoration Services	Light Blue	Light Blue	Light Blue	Light Blue														
Dynamic Containment	Yellow	Orange	Orange	Green	Light Blue	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Light Blue	Black	Light Blue	
Dynamic Moderation	Yellow	Orange	Orange	Green														Light Blue
Dynamic Regulation	Yellow	Orange	Orange	Green	Light Blue	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Light Blue	Orange	Orange	

Source: Cornwall Insight

Numerous challenges were identified in our research

Broader uncertainty on co-deliverability and whether this is intentional. Priority/ concern on this varies between procuring parties.

Visibility of the ability to stack services is opaque and unclear. In instances it depends on interpretation of legal text or operational conflicts/ misalignment between services.

Service window timeframes vary between services. Assets jumping between services may lose revenue waiting for new period to begin.

Long procurement timelines mean the value for flexibility may be unknown at the point of contract award.

Service terms and requirements are varied, T&Cs can put significant liability on FSPs, stymying participation.

Service requirements can hinder FSP's ability to split, jump or stack services. This is typically most relevant of starting positions of BM-registered assets and some ESO-related services.

Baselines from which service delivery and performance are assessed differ between ESO and DSO services. They also vary between DSO.

RBS excludes many services including DSO services.

Eligibility of assets with non-firm connections is not clearly outlined in a number of services.

Data used to demonstrate delivery is sourced from several points – meters, settlements (adjusted or not). This causes conflicts that can result in over or under-compensation.

No obligation to continue to consider these impacts or needs for future services or procurement platforms.

The design of flexibility services for very small-scale flexibility limit stacking options, due to the speed of deployment and system need.

There are a range of recommendations to support stacking, but prioritisation & feedback is important

High priority

- 01 — Decide and/ or make clear whether value should be achievable for delivery of multiples services with the same MW
- 02 — Establish cross- service guidance. Establish a regular opportunity for Q&A (FAQ or annual forum)
- 03 — Information regularly reviewed, updated and put in one readily accessible location online
- 04 — Align service window timeframes where possible. Shortening them supports jumping (e.g. a BESS requiring time to charge)
- 05 — Provide clear guidance on non-firm connection eligibility for every service
- 06 — Enhanced information sharing on curtailment likelihood, supporting procuring entities in allowing service provision when curtailment likelihood is low

Medium priority

- 07 — Where possible move as close to real time procurement as possible. An alternative solution may be to align penalties for non-delivery to current market conditions, although this may be contractually difficult
- 08 — Co-develop a contractual framework with common elements/areas and schedules for ESO/DSO specific requirements
- 09 — While there are potentially good reasons for different starting requirements, they prevent service splitting. e.g. actions in DSO services for BM participants may contravene Grid Code
- 10 — Review service requirements, where they may be prohibitive (e.g. baselining and performance monitoring processes, or exclusivity clauses) to understand if they are necessary for service provision
- 11 — Align baseline approaches across DNOs. Base exceptions on requirements for the DNO and clear communication on the differences with FSPs

About Cornwall Insight

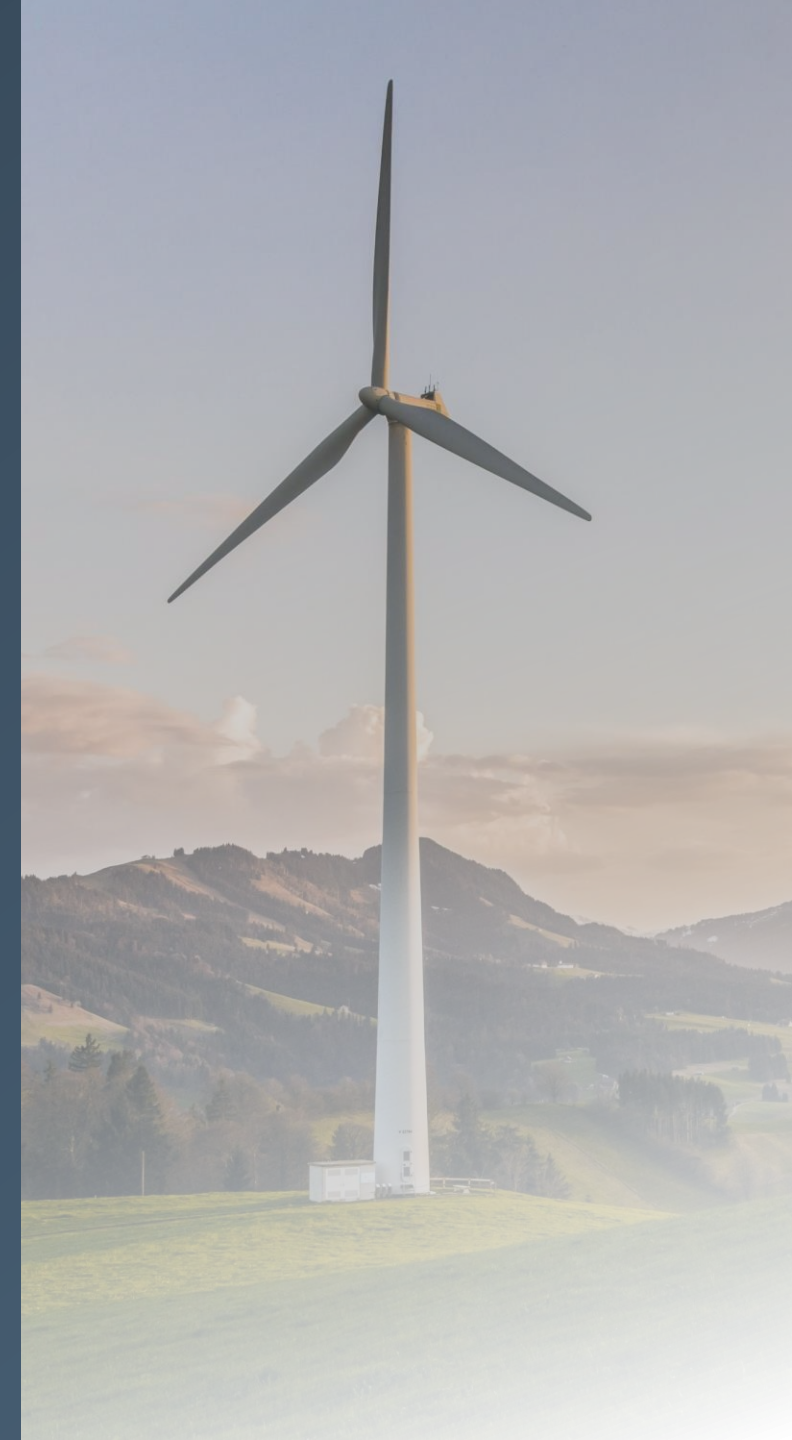
Established in 2005, Cornwall Insight is one of the most respected voices in the energy industry. We provide research, analysis, consulting and training to businesses and stakeholders in the Great British, Irish and Australian energy markets.

Our insight

Our independent experts work across the energy market and provide high quality and actionable insights on which to base your business decisions. We look to facilitate positive market and policy change, whilst also advising customers on how to navigate and comply with energy market dynamics, rules and regulations.

Our expertise

Our experts in-depth working knowledge of energy market design, including policy and regulatory changes, means we are perfectly placed to advise on changes to the future market design and help businesses achieve their net zero goals.



Next steps

Full details are available for your review:

- Full report and appendices available online.
- Webinar recording will be uploaded
- A follow up email will be sent out to all registrants with details and links.

We want your feedback:

- We will add a survey link in the follow on email.
- Alternatively respond to NGED.FlexiblePower@nationalgrid.co.uk
- We want to know if we have missed any key recommendations, their relative priorities and the specific actions that we should be taking to deliver improvement.

We are looking to prioritise actions to take forwards

- In the new year we will host a follow up webinar on actions to take following this work and the feedback
- We will coordinate with the recent ESO survey on the topic to align actions and will feed into the ON project.

▶ DSO

**Any
Questions?**

nationalgrid