



Flexible Power

Acceptance and Dispatch Principles

Version 1.3 Oct 2022

national**grid**



National Grid Electricity Distribution (NGED) recognises the importance of making the provision of flexibility an investable proposition, as well as the wider commitment to ensure the costs of flexibility remain competitive and economic for our wider customer base.

Where competitive markets have been developed, resulting in over supply, we will need to select the priority order on which flexibility assets are accepted and dispatched first. By sharing this methodology in advance, flexibility providers may be able to align the dimensions of the flexibility submitted to the procuring party to those most highly valued.

As we will be operating a pay-as-clear pricing structure, there will be no differentiation in price, however there will be optimisations we can make by dispatching the participants in an order which most closely aligns to the required flexibility.

We will consider the following factors to optimise our dispatch. These are aligned with the latest Open Networks principles. All principles will be considered equally to ensure network security is delivered for the most cost effective outcome.

Fairness	• We will share the dispatch of utilisation across all providers offering availability
Competitive	• Acceptance of availability will be shared across the largest number of providers
Operability	• Providers offering greater operability will maximise their chance of participation
Security	• The needs of the system will be met using flexibility in such a way that supply of security is maintained
Value	• Flexibility will be operated to meet system needs with the minimum level of over-procurement

As our operational experience in dispatching flexibility increases, we will use this information to provide feedback to flexibility providers in areas and support them to maximise their value to the system.

In the future, as our procurement strategy matures towards full market-led pricing, then pricing submitted for each flexibility asset will be the dominant factor for consideration.