



Flexible Power

Pricing Strategy

Version 1.2 Oct 2022

nationalgrid



Our approach to pricing

National Grid Electricity Distribution (NGED) recognise 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.

Our flexibility contracts will be awarded on a minimum one year basis, longer contracts up to four years may also be awarded. Contract extension into subsequent years, may be applicable in zones where we continue to have flexibility requirements and the price awarded within them remains in line with market expectations.

Previous procurements of flexibility have been settled on a fixed price, which has provided good stability for nurturing early markets. However, we recognise when the market becomes more competitive, an arbitrated price may not offer best value.

From 2019 onwards, we implemented a new pricing strategy, which has three distinct phases:



