

Flexibility Market Insights Report

January 2025

Version 1.0

DSO

nationalgrid
electricity distribution

Introduction

This report accompanies the results of our Long Term procurement round for 2024/25, and provides brief insights into the assets available to us for flexibility services, the trades we have awarded and the potential market still available to Flexibility Service Providers (FSP's). This provides a snapshot of our markets in January 2025.

Domestic customers are reaping the financial benefits of flexibility

The number of domestic assets available to deliver flexibility has grown significantly. In the last year we have seen significant growth of assets available to NGED registered through our [Market Gateway](#) platform. The total number has doubled from 75,000 assets last financial year (April 2023-March 2024) to over **154,000 to date**.

Table 1: Amount of registered assets in Market Gateway as of January 2025

	Total Assets	Total Registered Capacity (MW)
Domestic	154,324	488.19
Commercial & Industrial	138	844.16
Total	154,462	1332.35

This increase has been driven largely by domestic assets, especially EV charge points. Approximately 50% of the EV Charge points connected to our network are now registered with us to provide flexibility.

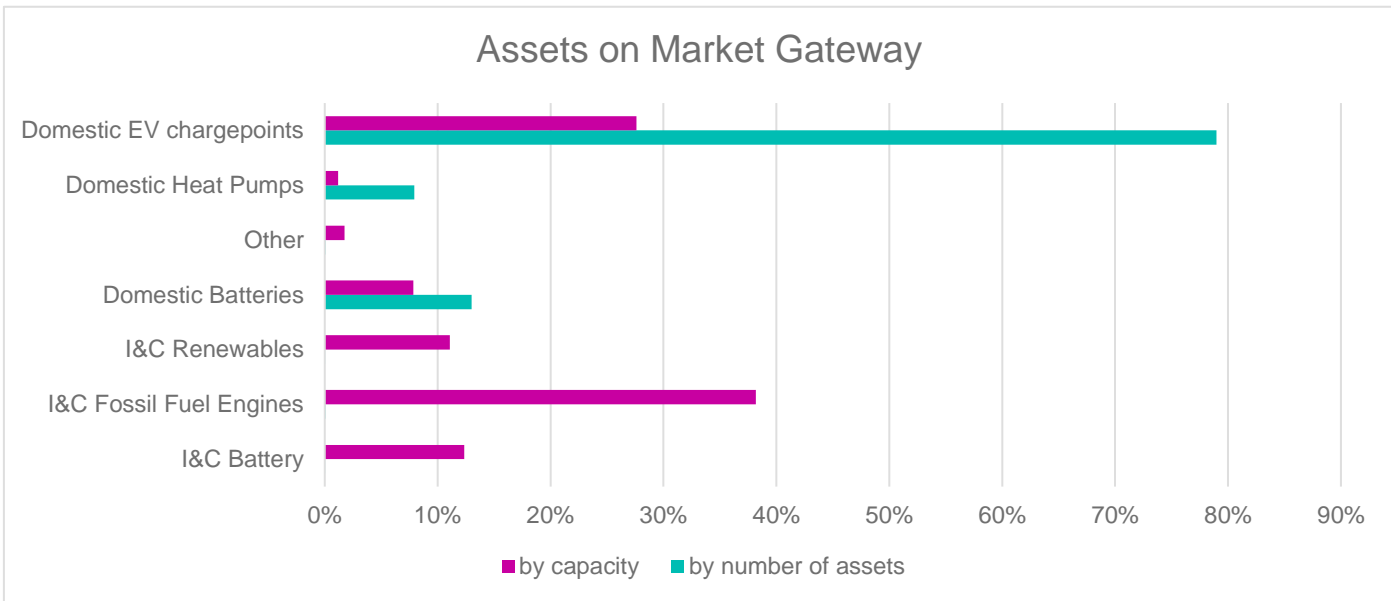


Figure 1: Technology demographic of assets in Market Gateway of January 2025

Flexibility Service Providers are now proactively registering assets across our licence areas, not just in the locations we've identified a flexibility need. 70% of assets are not in Constraint Management Zones (CMZs). This wider visibility of assets means we can quickly respond to new and emerging flexibility needs when needed.

Distribution flexibility is an attractive market for participation

Participation in our market opportunities has increased. This Long Term Procurement Round We saw responses from 8 FSPs across 536 locations where we need Flexibility.

Table 2: Summary of trades awarded

	<u>HV zones</u> Scheduled Availability, Operational Utilisation – Day Ahead	<u>HV zones</u> Operational Utilisation	<u>LV zones</u> Scheduled Utilisation – Settlement Periods
Flexibility Zones awarded	52	63	473
Availability procured (GWh)	18.76	31.61	1.1
Savings enabled by competition	34%	N/A as £0 price	18%

*Full dataset is published to our [Connected Data Portal](#)

Market competition is driving additional customer savings to the cost of operating the system

The increase in assets and participation has driven competition. A key development is the volume of competition across a number of zones, this helps to reduce the cost of the flexibility we awarded, **34% and 18% lower respectively across our HV and LV zones** from published ceiling prices. This drives increased value for end consumers and compares to less than 1% in our [last Long Term procurement round](#).

Our flexibility is delivered by clean, low carbon sources

93% and 91% of the volume accepted across the HV and LV zones respectively was from domestic low carbon assets. These present a much lower carbon intensity that larger fossil fuel-based assets. The availability of such assets should continue to drive a lower impact of our dispatches, where carbon intensity is not currently a decision-making criteria.

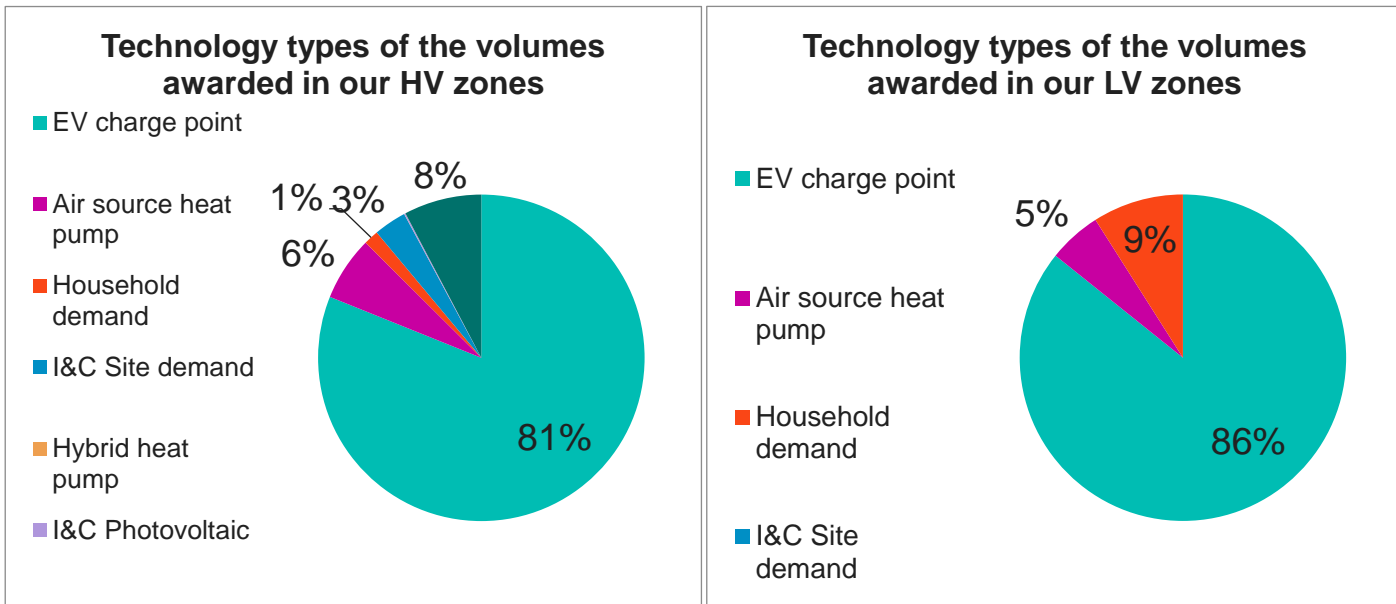


Figure 2: Technology demographic of assets in Market Gateway of January 2025

There are more opportunities for flexibility providers to access value

Whilst we are seeing growth in flexibility volumes, and the emergence of competition, there remains a number of zones with needs unmet. These will be picked up in our weekly Short Term market, where we'll award utilisation the week prior to delivery using the Scheduled Utilisation – Settlements Periods product.

In FY26 we expect to need:

- **3-6GWh of Utilisation**
- **£1-3m of Potential Utilisation Value**

The actual utilisation volumes we require will be informed by our closer to real-time short term network load forecasting, and we'll seek to economically balanced utilisation across the Long Term availability we've secured and the Short Term market.

We now publish Utilisation [forecasts](#) on a 3 monthly basis to give the Market a better view on the volumes we're likely to seek within the closer to real-time timeframe.

To get involved please get in contact at NGED.flexiblepower@nationalgrid.co.uk

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