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# Unlocking Value Through Revenue Stacking: National Grid DSO's Approach

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## Introduction

National Grid DSO is taking a leading role in enabling revenue stacking across flexibility markets, recognising that reducing barriers for Flexibility Service Providers (FSPs) to participate in multiple markets is essential for increasing liquidity, competition, and whole-system value.

By championing revenue stacking, we are helping to transform flexibility markets and empower FSPs to unlock the full value of their assets. By supporting participation across multiple markets, revenue stacking delivers greater value for providers while maximising benefits for the wider energy system.

We have made substantial progress in enabling this. In particular, we have aligned our flexibility products, introduced targeted process improvements, and upgraded our Market Gateway. Together, these steps have removed key barriers to participation and enabled more seamless interaction with wider markets, including those operated by National Energy System Operator (NESO).

## What is Revenue Stacking?

Revenue stacking allows a single flexible asset to participate in multiple energy markets, unlocking greater value for the system and enabling FSPs to access multiple revenue streams. This approach supports efficient use of flexibility and strengthens market participation.

Revenue stacking typically falls into three categories:

- **Co-delivery:** Using the same asset's capacity, at the same time, in the same direction to earn multiple revenues.
- **Splitting:** A single asset earns multiple revenue for using different capacity, at the same time.
- **Jumping:** Using the same asset to provide services at different times (adjacent or non-adjacent) to earn multiple revenues.

## Our Role in Advancing Revenue Stacking

To unlock the full value of revenue stacking, National Grid DSO commissioned Cornwall Insight in 2023 to explore how Distribution System Operators' (DSO) flexibility services can be effectively stacked with established markets, including those operated by NESO. The insights from this work<sup>1</sup> were embedded into the Energy Networks Association (ENA) Open Networks Flexibility Products and Stacking Workstream, playing a pivotal role in shaping a coordinated, industry-wide approach for enabling revenue stacking across both DSO and NESO markets.

Building directly on the outputs of this workstream, the Market Facilitator's (MF) flexibility market rule on Revenue Stacking Requirements<sup>2</sup> provides clear, practical guidance for FSPs, and establishes minimum requirements for all System Operators to actively enable stacking. We fully comply with these requirements and have gone further, demonstrating leadership in translating market rules into practice.

Through this proactive and market-leading approach, we are removing complexity, increasing confidence, and unlocking greater commercial opportunity by empowering FSPs to seamlessly participate across multiple markets and maximise the value of their assets.

<sup>1</sup> Read more on our [Revenue Stacking for Flexibility – A report for National Grid Electricity Distribution](#)

<sup>2</sup> More details on [FMR: Revenue Stacking Requirements](#)

## Our Commitment and Actions

In line with our Strategic Action Plan to increase the number of our flexibility services that can be stacked, we have taken decisive and tangible actions to turn revenue stacking from ambition into reality:

### 1. Full compliance with Market Facilitator Stacking Requirements

We fully comply with the Market Facilitator's flexibility market rule on Revenue Stacking Requirements. This sets out minimum expectations for all System Operators on revenue stacking.

### 2. No Exclusivity

Our flexibility service contracts are deliberately designed without exclusivity clauses and fully stackable, giving flexibility providers the freedom to stack assets within our markets and are not restricted from entering other markets for the same or different settlement period. For example, all our low voltage constraint services can be stacked with services we procure at higher voltage levels.

### 3. Process and Platform Enhancement

We have streamlined our internal processes and enhanced our Market Gateway to actively enable all three categories of revenue stacking across multiple Constraint Management Zones and voltage levels.

### 4. Flexibility Product Alignment

As part of the early insights from our revenue stacking work, we transitioned the high-voltage product procured through our long-term tenders from a 15-minute dispatch notice period to a Day-Ahead approach in 2024. This is delivered through the *Scheduled Availability, Operational Utilisation – Day Ahead notice product*. By moving the dispatch notice ahead of NESO's Balancing Mechanism gate closure, this simplifies cross-market participation for flexibility providers and better supports stacking across markets.

### 5. Embedding Stacking Principles in New Service Design

We have embedded the ENA Open Networks *Stackable-by-default checklist*<sup>3</sup> directly into the design phase when considering new products and services. This forward-looking approach ensures that new services are developed with stacking in mind from the outset.

One example is our FlexUp service, which is aimed at reducing curtailment during periods of high generation output. This service has been procured using an existing standard flexibility product and includes no exclusivity clause, thereby ensuring it can be stacked alongside our existing internal services and the wider flexibility markets. In addition, we adapted our decision-making approach for dispatch/service selection to take into account any service direction conflicts, as detailed in our new [Operational Decision Making Framework](#).

Together, these measures demonstrate our commitment to enabling stacking from the outset of service design.

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<sup>3</sup> [Stackable by default checklist](#) was developed under the ENA Open Networks Flexibility Products and Stacking Workstream

## Progress and Impacts

Our revenue stacking efforts are already delivering tangible results:

- Our Market Gateway now hosts over **320,000** registered and operational assets<sup>4</sup> across our four licence areas. Of these, about **15%** have the potential to stack revenue streams across services in different Constraint Management Zones and voltage levels.
- Furthermore, **around 24%** of our active Constraint Management Zones have assets that can be stacked across different services and voltage levels, creating opportunities for **more than 20** flexibility service providers to leverage the same asset for multiple revenue streams, while increasing competition and market participation in our services.

## Next Steps

As discussions and future work on revenue stacking continue to progress, we will remain actively engaged to ensure that barriers for flexibility providers continue to be removed and that whole-system benefits are delivered. We intend to achieve this through the following activities:

- **Market Facilitator Working Group** - contributing to the ongoing work on Defining Markets More Accurately to Support Stacking<sup>5</sup>. This working group aims to improve Product and Sub-market definitions to enable a more consistent assessment of flexibility market interactions and improve the assessment of revenue-stacking opportunities.
- **Continued application of the ENA Open Networks Stackable-by-Default checklist** during the design phase of all new products and services, ensuring that future services are developed with stacking embedded from the outset.
- **Further future work** - engaging in additional initiatives and industry collaborations as they emerge to support revenue stacking and maximise system-wide -outcomes.

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<sup>4</sup> The number was accurate as at March 2026

<sup>5</sup> More information on [Defining Markets More Accurately to Support Stacking](#)

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