

# Procurement Report

Distribution Flexibility Services  
May 2026



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# 1. Executive Summary

Welcome to our fifth Distribution Flexibility Services Procurement Report, where we present our outcomes of procuring flexibility services in the previous tender.

Our plans for procuring flexibility services for the upcoming regulatory year are detailed in our Distribution Flexibility Procurement Statement, and this report details the outcomes of the services procured and dispatched in the previous regulatory year and reflects on our activities and approach to engagement, tendering, evaluation, contracting and dispatch.

Our volume of flexibility requirements has increased significantly since our first tender launch in 2018 which sought 7.5MW of capacity between 2020-23 compared to our requirements in autumn 2025 which sought 1548 MW between 2026-28. During the ED2 period we expect to continue to see an increase in the requirements for flexibility and energy efficiency across our network and we are excited about the opportunities for flexibility service providers (FSPs) and the benefits to regional customers and stakeholders that this delivers.

During the reporting period we published our longer-term flexibility requirements in spring and autumn, in line with the completion of our network loading analysis, Distribution Future Electricity Scenarios (DFES) and [Distribution Network Options Assessment](#) (DNOA). We now also publish our short-term tenders each month. The tables below provide an overview of our requirements for each tender round in 2025/26 with further details provided in Section 3.3.

Table 1: Tenders published and contracted (MW) in 2025/26 regulatory year

Tendered and contracted requirements undertaken during the 2025/26 regulatory year					
Product	Spring-25 tender		Autumn-25 tender		Bespoke tender
	Tendered Requirements (MW)	Contracted Services (MW)	Tendered Requirements (MW)	Contracted Services (MW)	Contracted Services (MW)
Operational Utilisation	374.70	0.26	150.40	0	0
Variable Availability + Operational Utilisation	449.36	5.52	1422.43	0	0
Peak Reduction*	451.68	0.20	1437.46	2.01	2.00
Scheduled Utilisation	2.33	0.06	15.03	0	0
Totals	826.39	6.048	1587.86	2.01	2.00

\*Peak Reduction volumes are a duplication of Variable Availability + Operational Utilisation and Scheduled Utilisation.

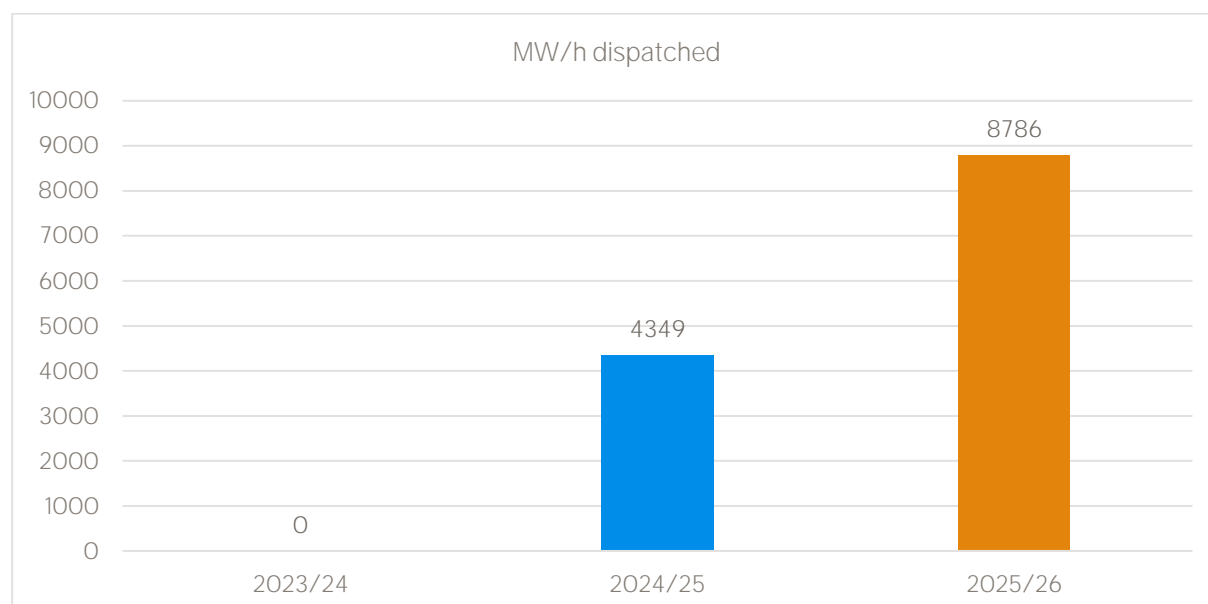
In the 2025/26 regulatory year we have successfully dispatched 8786 MWh of flexibility. This dispatch volume is comprised of the product breakdown shown in the table below.

Table 2: Flexibility volume dispatched by product in the regulatory year 2025/26

Flexibility dispatched by product in 2025/26	
Product	Volume of flexibility dispatched (MWh)
Operational Utilisation	0.24
Variable Availability +Operational Utilisation	6.15
Peak Reduction	8736
Scheduled Utilisation	43.20
Totals	8786

Our dispatch performance for each regulatory year within the RIIO-ED2 price control to date can be viewed in the graph below.

Figure 1: Flexibility services dispatch performance



We have continued our emphasis on customer engagement to support the development and priming of this emerging market, with a focus on removing barriers to participation in future tenders and increasing our low voltage (LV) requirements in each subsequent tender round. Section 4 details these engagement activities and the feedback we have received as a result.

## 2. Introduction

### 2.1. About SP Electricity North West

SP Electricity North West is one of Great Britain's 14 electricity distribution network operators (DNOs). We maintain and invest in our network of 61,000km of underground cables and overhead lines, plus thousands of substations and innovative technology.

We deliver a safe and reliable power supply to 2.4 million homes and businesses from Cumbria to Cheshire, supporting electrification and clean growth.

Global energy leader, Iberdrola, acquired an 88% shareholding in Electricity North West in 2025, through its UK arm ScottishPower. The network has now rebranded as SP Electricity North West.

Iberdrola and Scottish Power are committed to building smarter, greener electricity networks and now distributes electricity to 12 million people in the UK through its 170,000km network.

Our network in the North West is one of the most reliable in the country and we are investing over £2 billion between 2023-28 to ensure we continue to deliver an excellent, safe and affordable service to all our customers.

On 1 April 2023, we entered a regulatory price control period referred to as RIIO-ED2, which runs until March 2028. During this period we will see significant change in the way and amount of electricity that is generated, consumed and stored, driving innovation across the whole energy system both now and into the future.

## 3. Flexibility procurement and use summary

### 3.1. Procurement, contract and dispatch summary

Throughout the 2025/26 regulatory period, we tendered for 1588MW of flexibility services, with 195.92MW of this for provision in the 2025/26 period.

#### Spring and autumn 2025 tenders

We received a total of 58 bids in our spring and autumn 2025 tender rounds with 10.00 MW of the total offered capacity. Six of these bids were rejected (four uneconomical bids and two duplicate bids) leaving us with 52 bids being accepted and contracted with a total capacity contracted of 9.46MW. One of the providers submitted a capacity reforecast prior to delivery which resulted in a further six bids falling below our minimum threshold of 10kW. This removal of a further six contracts resulted in us having a final number of 46 accepted and contracted bids with a total capacity contracted of 8.059MW for these tender rounds.

We also contracted LV requirements for the first time across five locations. We originally accepted bids across nine locations however, due to the above-mentioned volume adjustment, four LV locations were subject to cancellation as the volume fell below our minimum threshold. As a consequence of this we lowered our LV threshold to 5kW from 10kW for our autumn 2025 tender in order to seed the LV market.

To summarise, across both tender rounds we accepted and contracted a total of 46 bids which were contracted to deliver 8.059 MW of capacity from October 2025 to March 2028.

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#### Bespoke tender

We received one bid **for a 'Bespoke Tender' of 2MW for delivery in 2025/26. Please see section 3.4.1 for further detail.**

Specific details of the autumn, spring and bespoke tender bids are included within the procurement worksheet of the supporting data template.

Within the 2025/26 regulatory year we dispatched a total of 8786 MWh of flexibility more than double what we dispatched last year.

#### Monthly tenders – February and March 2026

In January 2026 we launched our first month-ahead procurement tenders, we received two bids for the February tender which were rejected as they were uneconomical. We have therefore not contracted any flexibility from our month-ahead tenders in the regulatory year 2025/26.



## Previous tenders

We contracted flexibility for delivery in the 2025/26 regulatory year from previous tender rounds (please see table below) for breakdown by tender round and product type.

*Table 3: Flexibility contracted in previous tender rounds by product type*

Flexibility contracted in previous tender rounds				
Product	Spring 23	Autumn 23	Spring 24	Autumn 24
	Contracted Services (MW)	Contracted Services (MW)	Contracted Services (MW)	Contracted Services (MW)
Operational Utilisation	0	0.38	0.02	0.01
Operational Utilisation + Variable Availability	0.35	0.12	0.8	0.08
Peak Reduction	0	0	0	0.07
Scheduled Utilisation	n/a	n/a	n/a	0
Totals	0.35	0.5	0.82	0.16

During the delivery of flexibility services procured in previous tender rounds, several operational and contractual challenges were encountered that affected the efficiency and reliability of dispatch. These issues can be grouped into three main areas:

### API and system integration issues

Two FSPs did not have the technical ability to connect to the ElectronConnect platform via API. Despite proactively attempting to resolve this issue on behalf of the FSPs the issue was not resolved. This was predominantly due to the EV Charge Point Operator not having the technical resources to deliver an API integration.

### Incomplete or incorrect connection agreements

One contracted site was found to have connection agreements that did not align with the service requirements, most notably the absence of export capacity within the formal connection documentation.

### Constraints of half hourly dispatch windows

The restriction of only being able to dispatch flexibility strictly on half-hourly settlement periods restricted operational responsiveness.

This constraint limited the ability to issue short-notice or intra-period instructions, even where network conditions required more dynamic intervention.

As a result, flexibility could not always be aligned precisely with real-time system needs, reducing the overall effectiveness of the service resulting in non-delivery of agreed contracted flexibility.

As an ongoing workstream we are taking forward a programme of actions to address the API integration gaps, connection agreement inconsistencies, and half-hourly dispatch constraints identified through previous service delivery.

### 3.2. Stakeholder feedback on tender participation

Throughout the year we carry out feedback collection exercises, both formally and informally. Some of the reasons given from stakeholders choosing not to bid into tenders were:

- **Prioritisation of participation in the NESO's Demand Flexibility Service (DFS);** The national markets do not require assets to be in specific constraint management zones or postcode locations and therefore make it easier for assets to qualify for participation into markets
- A lack of suitable assets in the locations where we are procuring, predominantly the services required in rural locations with low customer numbers and limited local generation
- FSPs would prefer more real-time or shorter-term procurement (day/week ahead markets)
- Some participants prefer longer contract lengths to guarantee they are not developing stranded assets; while others prefer much shorter contract lengths so they can participate in other markets
- Lack of internal resource to support flexibility tender participation allied with a reluctance to utilise aggregators
- Some industrial and commercial organisations receive more lucrative propositions that stack revenues across multiple markets including whole market access therefore **they don't** directly contract with DSOs and tend to favour offers from aggregators more revenue from other propositions.
- Cost to serve is expensive on long term and month ahead procurement, leading to preference for day/week ahead markets.

To address this feedback we have taken the following actions:

- Released monthly recurring tenders (month ahead)
- Reduced minimum volume threshold to 5kW on our LV requirements.
- Created a DSO flexibility panel involving existing and potential FSPs
- Developed an MPAN checker tool that gives precise asset level eligibility validation
- Offering tailored support to each FSP to help deliver efficiencies in registering assets and bidding into markets
- Promotion of revenue stacking value and actively referring FSPs into NESO markets.

### 3.3. 2025/26 Procurement Statement

Our April 2025 Procurement Statement stated that we were looking to procure a total of 826 MW of flexibility services during the period 2025-2028, with 195.92 MW required for delivery in the 2025/26 period.

In our autumn 2025 tender, we refreshed our demand forecasts as part of the DFES process, and reissued the zones where needs were not met for the remainder of the RIIO-ED2 period. We also increased our LV requirements from 67 locations (2.33 MW) in our spring 2025 tender to 141 locations (4.03 MW) in our autumn 2025 tender.

Our autumn 2025 tender included 141 LV substations which was a significant increase in LV flexibility opportunities.

We also carried out a separate tender for flexibility services outside of the standard procurement cycles and from this tender we procured 2MW of flexibility services (see Section 3.4.1). The table below sets out the predicted, tendered and contracted services for delivery during 2025/26.

Table 4: Tender summaries for 2025/26 regulatory year only

Tendered and contracted requirements undertaken during the 2025/26 regulatory year			
Product	April 2025 procurement statement predicted requirement (25/26 MW)	Actual tendered services requirement (25/26 MW)	Actual contracted services (25/26 MW)
Operational Utilisation	100.94	100.94	0.09
Variable Availability + Operational Utilisation	92.65	92.65	0.48
Peak Reduction*	94.98	94.98	2
Scheduled Utilisation	2.33	2.33	0.06
Totals	195.92	195.92	2.63

\*Peak Reduction volumes are a duplication of Scheduled Utilisation and Variable Availability + Operational Utilisation

### 3.4. 2025/26 tender requirements

It is possible to look back at the requirements tendered for including capacities, service type, duration, estimated availability and utilisation, ceiling prices, and postcode sectors via our Previous Requirements webpage. For the 2025/26 tenders, this information can be accessed both in a tabular format and in a graphical format via following links:

Tender period	Tabular format	Geographical format
Spring 2025	<a href="#">Spring 2025 table</a>	<a href="#">Spring 2025 Geographical</a>
Autumn 2025	<a href="#">Autumn 2025 table</a>	<a href="#">Autumn 2025 Geographical</a>

#### 3.4.1. Bespoke tender requirements

During the course of the year we had some bespoke requirements which fell outside of the standard spring or autumn tenders.

An issue on our network was identified in September 2024 that was affecting security of supply for local network users at Hattersley substation. This issue was attributed to asset health issues on a section of 11kV underground cable. The location of the damaged cable is on a section of the strategic road network operated by the Highways Agency and the damaged area predominantly along the route of a major link road. The repair of the damage needed to be co-ordinated with the Highways Agency to reduce the significant impact upon road users. To minimise curtailment of flexible connections, as well as providing our DNO teams the opportunity to look at alternative routes for the replacement of the damaged cable section, we instead contracted with a generator for them to turn down their output from 6MW to 4MW from the period 1 October 2025 to 30 April 2026 (24/7). This resulted in a total dispatch volume of 8736 MWh in the regulatory year 2025/26.





### 3.4.2. Monthly tender requirements

In January 2026 we launched monthly tenders which focused upon month ahead procurement. Our first monthly tender was published in January for service delivery in February 2026. As of 31 March 2026, we have not contracted any flexibility from our monthly tender rounds. We did receive two bids in for the February tender that were declined due to them being uneconomical. The table below summarises the overall requirements (MW), bids received and contracted from the monthly tenders in the 2025/26 regulatory year. The monthly tenders consist of the following product types:

- Peak Reduction
- Scheduled Utilisation
- Operational Utilisation.

*Table 5: Monthly tender summary*

Monthly tender summary			
Tender Month	Requirements (MW)	No. of bids received	Contracted (MW)
February	152.42	2	0
March	127.7	0	0
Totals	280.12	2	0

We will continue to focus upon monthly tenders and increasing participation from FSPs. Although our month-ahead flex tenders have not yet yielded the outcomes we anticipated, we remain committed to advancing this work. We will continue to prioritise market engagement, seed future opportunities, and strengthen our position as the landscape develops. This remains an important strategic focus, and we are confident that sustained effort will support improved results over time

### 3.5. Procurement summary

The tables below summarise the level of services procured by product type and by postcode sector. For this reporting period all of these services are in the accepted and contracted stage and some have successfully dispatched flexibility.

Actual procurement by product and locations				
Peak Reduction				
Substation Name	Actual procured services 25/26 (MW)	Actual procured services 26/27 (MW)	Actual procured services 27/28 (MW)	Location postcode sector
Ardwick	0	0	0.2	M1 2, M1 6, M1 7, M12 4, M12 5, M12 6, M13 0, M13 9, M14 4, M14 5, M15 4, M15 6, M19 9, M34 3, M4 1, M60 1, M60 6, M60 7
Ambleside-Calgarth-Mintsfeet-Windermere Group	0	0.3	0.3	CA10 3, KA23 3, LA10 5, LA11 6, LA11 7, LA12 8, LA21 8, LA22 0, LA22 5, LA22 9, LA23 1, LA23 2, LA23 3, LA6 6, LA8 0, LA8 4, LA8 6, LA8 8, LA8 9, LA9 0, LA9 3, LA9 4, LA9 5, LA9 6, LA9 6N, LA9 7, LA9 8, LA9 9
Bow Lane-Whittle le Woods-Buckshaw-Botany Bay	0	0	0.27	PR25 1, PR25 2, PR25 3, PR25 4, PR25 5, PR26 3, PR26 6, PR26 7, PR26 8, PR26 9, PR3 1, PR5 0, PR5 1, PR5 2, PR5 5, PR5 6, PR5 8, PR6, PR6 0, PR6 7, PR6 8, PR6 9, PR7 1, PR7 3, PR7 4, PR7 6, PR7 7, PR8 9
Carlisle North BSP	0	0.47	0.47	CA3 0, CA5 7, CA6 4, CA7 4, LA6
Newtongate T11 & T12	0	0.1	0.1	CA10 0, CA10 2, CA10 3, CA11 0, CA11 7, CA11 8, CA11 9, CA16 6
Hattersley	2	2	0	SK13 1, SK13 2, SK13 5, SK13 6, SK14 1, SK14 2, SK14 3, SK14 5, SK14 6, SK14 8, SK15 1, SK15 2, SK15 3
Totals	2	2.87	1.34	

Actual procurement by product and locations				
Scheduled Utilisation				
Substation Name	Actual procured services 25/26 (MW)	Actual procured services 26/27 (MW)	Actual procured services 27/28 (MW)	Location postcode sector
Manchester Rd	0.015	n/a	n/a	M29 7, M29 8
Armistead St	0.018	n/a	n/a	WN2 3
Andrew St	0.009	n/a	n/a	OL5 0, OL5 9
Sycamore Est	0.011	n/a	n/a	CA7 8, P, PR1 9
Kingston Ave	0.011	n/a	n/a	OL9 8
Totals	0.064	n/a	n/a	

\*LV Requirements are procured with Scheduled Utilisation product and only procures for Winter season (Winter 25/26)

Actual procurement by product and locations				
Variable Availability + Operational Utilisation				
Substation Name	Actual procured services 25/26 (MW)	Actual procured services 26/27 (MW)	Actual procured services 27/28 (MW)	Location postcode sector
Alston	0.008	0	0	CA9 1, CA9 3, CA9 6
Ambleside-Calgarth-Mintsfeet-Windermere Group	0	0.05	0	CA10 3, KA23 3, LA10 5, LA11 6, LA11 7, LA12 8, LA21 8, LA22 0, LA22 5, LA22 9, LA23 1, LA23 2, LA23 3, LA6 6, LA8 0, LA8 4, LA8 6, LA8 8, LA8 9, LA9 0, LA9 3, LA9 4, LA9 5, LA9 6, LA9 6N, LA9 7, LA9 8, LA9 9, SK1 3
Ardwick	0.02	0	0	M1 2, M1 6, M1 7, M12 4, M12 5, M12 6, M13 0, M13 9, M14 4, M14 5, M15 4, M15 6, M19 9, M34 3, M4 1, M60 1, M60 6, M60 7
Burrow Beck	0.066	0.088	0.044	CA8 9, LA11, LA1 2, LA1 3, LA1 4, LA1 5, LA1 A, LA2 0, LA2 4, LA2 9, PR3 0, PR3 1
Capontree, Westlinton & Pirelli	0.04	0	0	CA12 5, CA2 4, CA2 5, CA2 6, CA2 7, CA3 0, CA3 8, CA4 0, CA4 8, CA4 9, CA5 6, CA5 7, CA5 9, CA6 1, CA6 4, CA6 5, CA6 6, CA7 0, CA7 1, CA7 2, CA7 3, CA7 4, CA7 5, CA8 1, CA8 2, CA8 3, CA8 7, CA8 9, DG16 5, LA2 0
Flat Lane	0.085	0.275	0.37	BB7 4, BD23 1, BD23 3, BD23 4, BD23 6, BD24 0, BD24 9, LA2 8
Frederick Rd	0.17	0	0	M15 5, M3 5, M3 6, M5 3, M5 4, M6 5, M6 6, M6 7, M7 1, M7 2, M7 3, M7 4
Knott Mill	0.063	0.247	0.376	M1 5, M14 4, M15 4, M15 5, M15 6, M16 9, M2 3, M2 5, M29 8, M3 4, M30 8, M32 9, M4 3, M5 3, M5 4, M60 9
Moss Side (Longsight)	0.028	1.548	2.042	M14 4, M14 5, M14 7, M15 1, M15 4, M15 5, M15 6, M16 0, M16 7, M16 8, M16 9, M3 4, M40 0, OL6 7
Totals	0.48	2.21	2.83	

Actual procurement by product and locations				
Operational Utilisation				
Substation Name	Actual procured services 25/26 (MW)	Actual procured services 26/27 (MW)	Actual procured services 27/28 (MW)	Location postcode sector
Newby	0.04	0.04	0.04	CA10 1, CA10 2, CA10 3, CA11 0, CA11 9, CA15 6, CA16, CA16 6, CA20 2
Sedbergh	0.04	0.04	0.04	CA10 3, LA10 5, LA6 2, LA8 0, LA8 9
Totals	0.08	0.08	0.08	

### 3.6. Spring 2025 procurement timeline

Our March 2025 procurement statement included the timelines for our proposed flexibility service procurement activities for the year; these timelines were followed with no deviations.



### 3.7. Autumn 2025 procurement timeline

Our March 2025 procurement statement included the timelines for our proposed flexibility service procurement activities for the year; these timelines were followed with no deviations.



### 3.8. Conflict management with NESO

There have been no requirements for conflict mitigation with the NESO in 2025/26.

We have been active participants in the Market Facilitator primacy rules working group, working with the rest of the industry to develop rules and procedures to allow for service stacking and conflict management, where required.

We are committed to implementing the primacy rules into business as usual and in line with this commitment we have created a page within our open data portal for the publication and sharing of our Risk of Conflict reports. Our Risk of Conflict report is accessible in a range of formats

including in an API accessible format. We have not identified any conflicts at this stage, so have utilised the API data transfer capabilities to allow the NESO to verify their automated import procedures and processing of these Risk of Conflict reports.

The Primacy Technical Working Group continues to develop use cases and additional primacy rules where these are required. As these rules are developed, we will incorporate them into business as usual as soon as they are required. Please also see section 4.5 for further primacy information.

## 4. Stakeholder engagement

### 4.1. Engagement overview

This year we've increased targeted sector engagement to identify barriers to participation in flexibility markets. These insights have strengthened our contracting methods and tender inclusions. This has led to nine new providers registering on our procurement platform, three of which have participated in this **year's tenders**. We continue to engage and onboard further FSPs including electricity retail suppliers, and regional and national aggregators.

Extensive engagement has also been conducted under the banner of our Social DSO strategy targeting community energy projects and a regional NHS cluster of 29 NHS trusts that sit within our constraint management zones.

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*We're proud to have a well-established and valued group of stakeholders who we consistently engage with, listen to and work with to continually improve everyone's access to electricity in a fair, open and value-for-money way.*

*Everything we do is driven by data, knowledge and consumer feedback.*

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#### 4.1.1. Signposting requirements

- In 2025 we provided access to our tenders and documents via our website and the [ElectronConnect](#) platform. To improve visibility of our requirements we also included a signposting link from our previous platform provider [Piclo](#) which was intended to further promote our tenders and opportunities to participate. More information on this collaboration can be found in our Distribution Flexibility Services Procurement Statement which sits alongside this report in our [document library](#). Following the close of each tender round, we produce a report detailing the results on our Previous Requirements page to provide clarity on the bids which were accepted/ rejected and their subsequent contract lengths. This information is published alongside a copy of the ENA Common Evaluation Methodology (CEM) and Losses Tools for each bid to provide further transparency in the procurement process, as well as giving future market participants an insight into the potential revenues they could expect to achieve by participating. To reach wider audiences, we communicated flexibility services updates via the following channels to help ensure visibility of, and accessibility to, our requirements:
  - Our website
  - ElectronConnect platform
  - Piclo Max platform
  - Open data portal
  - Our flexibility services mailing list
  - Our bi-annual DSO functions webinars
  - The ENA flexibility in Great Britain webpage
  - Press releases
  - SP ENW LinkedIn channel
  - Network Development Plan (NDP)



- Direct to customers with assets in requirement zones
- In-person events: joint events, industry events
- One-to-one flexibility services discussions
- Local authority bi-lateral meetings.

We issued our quarterly flexibility newsletters to 450 stakeholders on our distribution list communicating updates on current and future requirements, results of our tenders and upcoming events. We also issued regular communications to over 8,000 stakeholders via our DSO LinkedIn channel. We recently published our annual Distribution Flexibility Procurement Statement in our [document library](#), which sets out our approach for procuring flexibility services in the upcoming regulatory year. Key topics detailed in the Statement include distribution flexibility service requirements, criteria for participation, the dispatch of flexibility services, details of the tendering processes, stakeholder engagement, quantitative assessment, how to contact us and useful external links.

#### Online resources

We continue to update our interactive flexibility map on our [website](#) with each tender round to simplify the information that we provide to stakeholders and assist them in the identification of their assets within constraint zones. The map shows both current requirements from 2026-2028 (navy icons) and forecasted requirements over the next 5-10 years (grey icons) to provide more notice of future tenders.

These forecasted sites are published within our Network Development Plan (NDP) which is a useful tool for FSPs as it shows where on the network there is insufficient capacity (for new connections and general load growth) and where flexibility services may be required in the short, medium and long term. It also provides information on how we intend to create capacity over the next ten years covering the RIIO-ED2 and RIIO-ED3 periods. Open and accessible data is a central theme in our RIIO-ED2 Business Plan and is part of the Open Networks Project and Smart Systems and Flexibility Plan.

Stakeholder engagement has been key to this, and we continue to consult our stakeholders at every opportunity on the usefulness of information and whether anything further can be provided. With our commitment to transparency, we have an Open Data Portal which is hosted by OpenDataSoft. Here we share a wealth of data sets relating to network data, operational data, forecasting, connections and flexibility services requirements to help support our customers and stakeholders with their decision making. Users of the Portal are able to access the Embedded Capacity Register and Network Capacity Headroom Data, in a multitude of different data formats. In addition, flexibility services data hosted on the portal can be downloaded in a range of common industry standard formats including API, KML, CSV, JSON, Shapefile and XLSX. This allows users to incorporate this data into their own modelling and mapping systems and overlay other data sets they may already have, including their own asset maps. We make our data transparent in order to stimulate network users to analyse and interpret our data to help them make informed decisions around flexibility services and to encourage tender participation. We have made enhancements to how we share our flexibility related data and now provide our customers and stakeholders with a range of flexibility data specifics including dispatch data, locational data and tender outcomes.

This year we have enhanced how our flexibility data is presented on both our open data portal and our [Flexibility Hub](#). The enhancements were focused upon supporting our stakeholders and FSPs to better navigate our flexibility tenders and help identify opportunities.

The main objective of this work was to develop our existing information provision by improving accessibility of data by collating information into a single view. We have highlighted LV opportunities by creating map layers/filters for different voltages, using indicators that are accessible to both technical and non-technical users. We've also developed and included visualisations in the open data portal to explicit LV flexibility geographies and related financial opportunities.

This work around our data has delivered the following functionality:

- Creates a single view that integrates data from our [Flexibility Hub](#) and postcode checker data
- Supports non-technical stakeholders (community energy groups, small businesses and domestic users) in identifying flexibility opportunities
- Provides visual aids that easily identify LV opportunities for different voltages
- Includes/implements a HV/LV filter for users to identify opportunities at each voltage level
- Data enhancements to existing datasets for enriched insights
- Provides descriptive and prescriptive data and improve navigation, delivering a better user experience.

To ensure these tools have genuinely met organisational needs, we have invited selected partners to integrate them into their workflows and provide structured feedback. This collaborative testing phase allows us to assess real-world effectiveness, identify areas for refinement, and ensures the final versions deliver meaningful value and usability for all stakeholders. Below are quotes from two partners who have trialled the tool.

**“Based on the demonstration of the tool, having the information it provides would help us understand the opportunity with the flexibility products better. It does look like something we'd be interested in being able to fill in and see what the outputs are.**

With the currently available information some elements are not always clear, such as how the payments work, what is meant by the different products and what the site needs to do to be able to provide flexibility.

The tool looks like it can help bridge that gap for people like us where we don't necessarily have the in-depth knowledge or experience and help us work it out a little bit ourselves. It will help us develop initial knowledge to be able to take that on to either other third parties or SP ENW themselves.”

*Estates Manager, NHS Trust*

**“It looks brilliant and I think for me there's a huge benefit in getting that early engagement and thinking through a tool like this. Simple looking tools are always the best. There's nothing simple about how it works, but that's where we get people to engage quickly. It seems to strike the right kind of information package that someone would need then to go forward and start having a proper discussion about what is possible.”**

*Decarbonisation Advisor, Government Administration body*

## Website

We continue to make our website a central repository for all of our flexibility services activities and updates. It contains the following sections:

- Data and digitalisation
- Facilitating net zero
- Distribution system operation (DSO)
- Flexibility services
- Social DSO
- Innovation.

Our flexibility services portal, the [Flexibility Hub](#), contains new publications and tools to educate and support participation in our tenders. The latest updates include:

## CEM tool V3

The new enhanced script-based AA tool implementation follows an object-oriented structure. **This architecture enhances the tool's** scalability and flexibility across both macro and micro scenarios, as a theoretically unlimited number of interventions, strategies and sites can be simulated under multiple future scenarios. As the CEM is a 'cut-down' version of the ROCBA tool

for flexibility services procurement evaluations, the re-platforming of ROCBA resulted in an enhanced re-platformed **automated version of the CEM tool as a 'byproduct'**, which also has the ability to run multiple micro-scenarios.

#### Revenue stacking tool

Our stakeholders told us that information on [Revenue stacking](#) can be non-existent or difficult to find. It is in the national interest that FSPs possess a deep understanding of the different markets that their assets can participate in.

As part of the ENA Open Networks project a revenue stacking tool was developed to support FSPs gain a clear and concise view on how they can participate in both NESO and DSO markets. The developed tool provides explicit examples of specific NESO and DSO products and highlights how, when and where they can co-deliver, split and jump between the markets on a product-by-product basis. The overall purpose of this tool is to guide FSPs on how they can participate in multiple markets across NESO and DSO and deliver those whole system benefits that the UK electricity system requires in order to deliver upon the Clean Power 2030 ambitions.

The [Revenue Stacking Excel Tool](#) was created as an authoritative and intuitive tool for **stakeholders. The tool includes revenue stacking information from the NESO's [Markets Roadmap](#) and the ENA's [Revenue Stacking Assessment for DSO Services](#).** The tool has been validated by the NESO and all DSOs.

#### 4.1.2. One to one discussions

We recognise the important role our network users and stakeholders play in delivering flexibility services to our region and we have engaged with aggregators, local authorities, strategic partners, electricity retail suppliers, community energy projects and businesses of all sizes and sectors to capture a broad range of national and regional insights. We held strategic bilateral engagements with 41 organisations across various industry sectors to encourage and facilitate flexibility participation including local authorities, strategic partners, aggregators, and industrial and commercial users.

The aim of this engagement was to better understand our stakeholders' needs, to create awareness around our flexibility services requirements and to learn about the experiences of taking part in our tenders. The one-to-one sessions were designed to assist potential FSPs through the process of providing flexibility services to the SP ENW network. Stakeholders were provided with the opportunity to pose specific questions to the team and gather the information required to successfully participate in our tenders. These sessions are available to book on our website and via the link in our newsletters.

We have also incorporated direct engagement with businesses located in our requirement zones as part of our ongoing activities. We are always looking at ways to improve our engagement in more rural areas of our region to ensure that all eligible participants have equal opportunity to get involved in the flexibility market.

#### 4.1.3. Online events

We held our DSO Functions: DFES, Data and Flexibility Services webinar in August 2025. This webinar was held ahead of our autumn tender. This free event is aimed at professionals in the energy industry who are looking to hear the latest from SP Electricity North West on the data we publish and how it can be used to help inform potential connections, interpreting our data and insights into future load growth forecasts in the region. Covering topics such as Distribution Future Electricity Scenarios (DFES), Network Development Plan (NDP), our Open Data Portal, and our latest flexibility services requirements, these webinars explored each area in detail and gave stakeholders the opportunity to ask our experts their questions. We had 62 external stakeholders.

The event prompted questions around our latest flexibility services requirements and our LV products in particular. Following each event including webinars and in-person workshops, we

ensure that recordings, slides, event summaries and feedback are saved on our engagement page as a resource for potential future participants. These materials act as useful guides for our stakeholders, with easy-to-follow slides containing links to more resources and contact information. We endeavour to make our events as easy as possible for our customers to access at a time that is convenient for them.

#### 4.1.4. In person events

##### *DSO Conference, Manchester (April 2025)*

Our bi-annual DSO conference was held in Manchester and was focused around DFES, data, flexibility services and our social DSO strategy. A variety of expert speakers from SP Electricity North West delivered presentations alongside external speakers from NESO, Ofgem, GMCA, and ElectronConnect. A session from the Director of Policy at the National Infrastructure Commission also prompted detailed debates and discussions. Roundtable sessions centred on identifying and understanding the different stakeholder groups across our region, to understand key drivers and decision-making criteria for each persona type pertaining to flexibility services participation. The event attracted over 150 external stakeholder attendees.



##### *DSO Conference, Penrith (October 2025)*

This in person event covered all aspects of DSO progress and future roadmap. DSO team leads provided updates on the overall progress of the DSO transition, activities and objectives. A detailed presentation was provided around DSO flexibility services including progress to date, upcoming tenders and future aspirations and developments. Focus was also provided around our data and how stakeholders can leverage this to underpin their decision making. In addition to DSO experts, speakers also included representatives from British Hydro Association and ElectronConnect. Following presentations roundtable discussions were held, covering a variety of topics enabling stakeholders and the DSO team alike to gain valuable insights from each other. Topics included Flexibility, Data, Social DSO, Connections and Innovation. Over 100 attendees joined the session in person with a number of stakeholders also joining online. A [video recap](#) was also produced to ensure that non attendees could also view the day's content and overall DSO message to regional stakeholders.



## 4.2. 2025/26 engagement activities

Engagement	
Newsletters	We issued quarterly update newsletters to 450 stakeholders on our flexibility services distribution list as well as shorter newsletters throughout the year covering topics such as latest flexibility requirements, results of previous tenders, new publications, consultations and event invitations
Direct Engagement	We contacted over 13 companies located in our identified constraint zones to introduce them to flexibility services and offer advice on how to participate in our tenders
One to one discussions	We held a total of 41 one-to-one discussion sessions with both participating and potential providers to assist them with the process of providing flexibility to the network and answer any questions they had
Collaborative industry events	Northern Sustainability Summit held in Manchester July 2025. Green Summit held in Manchester March 2026
SP ENW Webinars	We held a DSO Functions webinars with our wider DSO team where we presented an overview of our latest flexibility requirements and how to take part, we also delivered our first flexibility forum involving existing and potential FSPs
2025/26 publications	<ul style="list-style-type: none"> <li>• May 2025 Distribution Flexibility Services Procurement Report</li> <li>• March 2026 Distribution Flexibility Services Procurement Statement</li> <li>• 2025/26 tender results</li> <li>• Operational Decision-Making Framework</li> <li>• DNO-DSO Governance Framework</li> <li>• DSO Benefits Methodology</li> </ul>
SP ENW DSO conferences	Held in Manchester in April 2025 and in Penrith in October 2025. These in-person events gave DSO stakeholders the opportunity to collaborate on what they'd like to see us prioritise to ensure our DSO approach is shaped by a wide range of perspectives

## 4.3. Industry events attended

### *Distributed Energy Show (NEC Birmingham)*

This two-day event hosted a plethora of national experts in from the distributed energy space. The SP Electricity North West DSO flexibility team exhibited at the event and engaged with retail suppliers, aggregators, consultants and investors in clean technologies. Attendees of the event and visitors to the SP Electricity North West stand were given the opportunity to learn more around flexibility in our region and we also provided dedicated resource from our connections team to support discussions around connecting low carbon technologies to our network.

### *Utility Week (NEC Birmingham)*

Representatives of the DSO flexibility team delivered presentations at a number of Utility Week conferences throughout the year. The team delivered thought leadership sessions on topics such as 'the importance of data in bridging the infrastructure gaps' and 'the role of flexibility in RIIO-ED3' and 'how networks are building capability through flexibility and other technologies'.

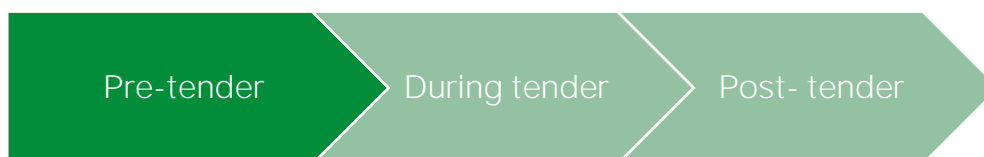
### *Northern Sustainability Summit (Manchester Central)*

Members of the SP Electricity North West DSO flexibility team attended and presented at this one-day event which brought together regional stakeholders, businesses and supply chains from the North West. Our DSO team delivered a number of presentations including the importance of flexibility services and forecasted future load growth. The team also took part in a panel

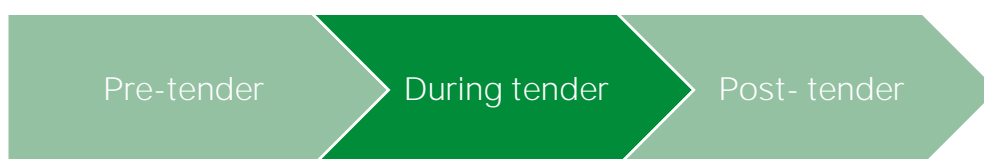


discussion with local authorities, large regional manufacturing companies and another regional utility company to talk about challenges and solutions to the North West energy landscape.

#### 4.4. Information provision to stakeholders during a tender process

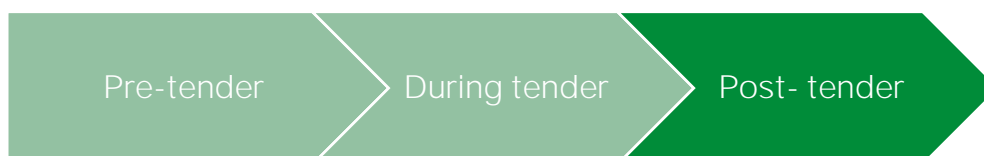


- Details of future forecasts of requirements are provided via the interactive map on the [Flexibility Services Hub](#) and on the [Open Data Portal](#).
- **Indicative timelines for future tenders are highlighted on the 'flexibility timeline'** hosted on the ENA Open Networks website.
- A wide range of information is available in our flexibility services [document library](#) that allows stakeholders to understand the tender process, and to look at [previous tenders](#). This allows them to understand the process from start to finish as well as seeing the levels of bids we have previously accepted.
- We publish all of our flexibility services webinar recordings on YouTube and on our [engagement page](#) as a handy resource for stakeholders to watch at a time that suits them.
- Our bi-annual webinars provide an introduction to flexibility services, an overview of our current requirements, and the steps to follow to participate in our tenders.
- In addition to our quarterly newsletters, we issue regular updates to 450 stakeholders on our mailing list to communicate upcoming tenders, results of previous tenders, event information and helpful tools and publications. We encourage anyone interested in flexibility services to sign up to this list to be the first to hear about our latest requirements.



- Invitation to tender, associated appendices and flexibility maps are published on the SP Electricity North West Latest Requirements webpage.
- Tender requirements and ITT appendices were uploaded to the [ElectronConnect](#) platform. Requirements were promoted via Piclo and [ElectronConnect](#) social media channels and newsletters, and all parties with registered assets within an active tender zone are notified via automated messaging.
- All parties registered to our flexibility services mailing list receive emails to notify them of an active tender, as well as regular updates through the tender process to remind them to participate.
- We provide regular updates via SP **Electricity North West's** Flexibility newsletter to reach wider audiences who may be interested in learning more about flexibility services.
- **Social media updates are posted on Electricity North West's social media channels**, including LinkedIn, during an active tender to reach new and existing customers.
- We advertise via other partners and stakeholder communities we belong to and their own mailing lists and channels e.g. [ElectronConnect](#).
- We hosted a webinar alongside our wider DSO team to introduce stakeholders to flexibility services, guide them through the process of how to get involved, promote the active tender, provide updates on industry collaboration and standardisation, and give stakeholders the opportunity to ask questions. Our previously held webinars are available to view on our Engagement page to allow new stakeholders to catch up on our flexibility journey.

- We provide custom support for stakeholders via one-to-one discussions to discuss their individual assets and how to get involved.
- We welcome and respond to queries sent to our [flexible.contracts@enwl.co.uk](mailto:flexible.contracts@enwl.co.uk) mailbox to assist stakeholders during the tender process and provide them with the information needed to submit a tender response.



- We notified participants of the outcome of their technical qualification and bids via the [ElectronConnect](#) platforms, also providing reasons for the decision.
- We publish the results of the tender on our tender webpage and archive past tenders on our [Previous Requirements](#) webpage. We also communicate the results to our mailing list as part of our newsletter updates. This allows for transparency in decision making, as well as providing useful information for future tender participants.
- We communicate with successful participants who had their bids accepted, to arrange for contract signing and integration into the dispatch and settlement systems.

#### 4.5. Collaboration

The body of work that was previously managed by the Energy Networks Association (ENA) is now managed via the Market Facilitator. The SP Electricity North West DSO team is actively involved in all workstreams and consultations associated with the Flexibility Market Rules and wider standardisation work.

##### Flexibility market rules

The rules form the official operational framework for flexibility markets in GB. They define:

- Sub-markets and product definitions — clear descriptions of the different flexibility services (e.g., MW Dispatch, constraint management, balancing-related services).
- Participation requirements — what aggregators, asset owners, DNOs, and the national system operator must do to take part.
- Data and digital standards — the formats, protocols, and timings for exchanging availability, dispatch, metering, and settlement data.
- Baseline and settlement rules — how delivered flexibility is measured and how payments or penalties are calculated.
- Primacy rules — how conflicts between national and local instructions are resolved
- Governance and change control — how rules can be updated, consulted on, and approved as the market evolves.

These rules are designed to give the market a single, consistent, interoperable framework across all DNO regions and the national system operator. **Exelon's mandate as Market Facilitator (confirmed by Ofgem's 2025 policy decision) is to create the rules, systems, and governance that allow flexibility markets to scale nationally.**

The rules aim to:

- Remove regional inconsistencies in how flexibility is procured
- Enable assets to participate in both local (DNO) and national (NESO) markets
- Provide clarity for aggregators and asset owners
- Support safe operation of the electricity system as flexibility volumes grow
- Ensure transparency and accountability through a formal governance process.

Exelon published the first full set of Day 1 Flexibility Market Rules in December 2025, alongside decision reports summarising industry feedback and the changes made.

Key elements included:

- Operational framework for how flexibility markets will run from launch
- Standardised product definitions across all DNOs
- Improved baselining methodologies to ensure fair settlement
- Clearer data exchange requirements to support interoperability
- Defined roles and responsibilities for DNOs, NESO, aggregators, and the Market Facilitator
- Primacy rules embedded into the framework to avoid conflicting dispatch instructions.

The Day 1 rules are the foundation for the 2026–2028 rollout of the full flexibility market ecosystem. Exelon has an ongoing consultation and governance process, including:

- Regular rule change consultations
- A Flexibility Stakeholder Advisory Board
- Annual updates aligned with the Market Facilitator delivery plan (2026–2028).

### Primacy

Exelon has published the *Flexibility Market Rule: Primacy Rules* (FMR-PR), which defines how conflicts between the National Energy System Operator (NESO) and Distribution Network Operators (DNOs) should be resolved.

- Primacy rules determine whose instruction takes priority when NESO and a DNO give conflicting dispatch signals to flexible assets.
- The rules are designed to prevent unsafe or counterproductive outcomes (e.g., NESO calling for increased generation while a DNO needs local reduction).

Significant progress has been made with this workstream and a NESO/DSO-wide Data Sharing Agreement has been created and signed by all system operators to allow an exchange of data between NESO and all DSOs.

The current focus on the group is creating a Risk of Conflict framework and work is ongoing.

### Standard agreement

**Exelon's work on the Standard Agreement for Flexibility Services is centred on turning what used to be a voluntary, inconsistent contract into a single, mandatory, centrally-governed agreement for all flexibility markets in Great Britain. This work is being progressed through Change Proposal FLX CP001, which is part of the wider Flexibility Market Rules programme.**

The intended future of the Standard Agreement will be that it will form part of the Flexibility Market Rules and apply uniformly across all DSOs and NESO. This uniformed approach will deliver:

- A standard set of terms for all FSPs
- A reduction in legal overheads and remove friction
- Drive interoperability across sub markets
- Improve transparency and predictability for participants.

In summary this workstream will deliver a simpler onboarding process with clearer rights and obligations for FSPs, and for SP Electricity North West it will deliver a consistent approach in how we engage and contract with our FSP stakeholders.

The Standard Agreement is one of the core building blocks of the new flexibility market framework and will form the governance and operational foundation for future national flexibility markets.

## Baselining

SP Electricity North West representatives participated in the baselining working group formed through the ENA Open Networks project which also involved a Market Facilitator representative. The group's work was concluded in August 2025 when a baselining report was released. More information on the ENA Standardised Baselining methodologies can be found [here](#). The new standardised baselining methodologies came into effect on 1 April 2026.

### 4.6. Key information locations

In addition to our Invitation to Tender documents we also have a suite of helpful guides, event materials, reports and forecasting data available on our website and via the links below. Please note that our guidance notes will be updated throughout 2026 as we introduce changes to our procurement process, products and technical requirements.

The below documents can be found in the helpful guides section of our [document library](#).

DSO Data	
A guide to flexibility services	A simple introductory guide for anyone new to flexibility services
Procurement process	Our flexibility procurement process including how to take part on <a href="#">ElectronConnect</a> , our ITT documents and how to use our interactive flexibility map
Summary of service requirements	Provides a detailed breakdown of our Invitation to Tender, Appendix 3: Site requirements table
Products and response times	An overview of the four flexibility products we procure and their service parameters
Decision making criteria	Explains how we assess bids received based on the conditions precedent, specification and cost
Common Evaluation Methodology (CEM) and Tool	The latest version of the standardised tool utilised by all GB DNOs to calculate ceiling prices for each requirement zone

Reports and publications	
Distribution Flexibility Procurement reporting	Our suite of publications relating to Ofgem's Electricity Distribution Standard Licence Condition 31E: Procurement and use of Distribution flexibility services includes our statement, report, consultation and webinar recording
Tender results	All details of our requirements from 2018 including Invitation to Tender documents, results and Expressions of Interest
SP Electricity North West Business Plan 2023-28	This plan sets out our commitment to Net Zero, innovation and efficiency for the RIIO-ED2 Period

The below 'Engagement' resources can be found on our flexibility services [engagement page](#)

Engagement	
Engagement document library	Previously held event recordings, presentations and summaries and newsletter archive
Sign up to our mailing list	Sign up to be the first to hear about our latest requirements and flexibility events

Engagement	
Request a one-to-one discussion	We host complimentary discussions to guide stakeholders through the process of providing flexibility services to the network
Upcoming events	View our upcoming flexibility events and register your place

#### 4.7. Useful links

DSO Data	
<a href="#">Open Data Portal</a>	Our flexibility requirements are available to view on our new Open Data Portal and can be downloaded in a range of common industry standard formats including API, KML, CSV, JSON, Shapefile and XLSX
<a href="#">Distribution Future Electricity Scenarios Report (DFES)</a>	Presents well informed future trends across the North West for the electrification of transport & heating, the penetration of local distributed generation and storage, the future effects of hydrogen, and how all these drive demand growth that our future network needs to supply
<a href="#">Network Development Plan (NDP)</a>	Part of the Clean Energy Package, this annual report details future distribution network requirements for 1-10 years beyond publication
<a href="#">Long Term Development Statement (LTDS)</a>	Details future distribution network requirements for the next five years, allowing existing and potential customers to make an initial assessment of the capabilities of the electricity network and opportunities for changes in their use of the network or for connecting to it
<a href="#">Operation Decision Making Framework</a>	Optimising distribution with automation, flexibility, and informed decisions

Industry Links	
<a href="#">ElectronConnect</a>	Our core market platform for flexibility services. Providers can use this platform for commercial and technical qualification, placing bids, dispatch and settlement. It is an end-to-end platform
<a href="#">Elexon</a>	Elexon is a private not-for-profit organisation that oversees the processes that settle payments between generators, suppliers and traders of energy in the UK and have become the Market Facilitator
<a href="#">Flex Assure</a>	A code of conduct and compliance scheme defining and enforcing minimum standards of practice to provide assurance for business energy users of the standard of service they will receive from businesses signed up to the scheme
<a href="#">Ofgem</a>	The website of the energy regulator for Great Britain
<a href="#">National Energy Systems Operator (NESO)</a>	The website of the electricity system operator for Great Britain
<a href="#">Energy Networks Association (ENA)</a>	The website of the industry body that representing energy network operators in the UK and Ireland
<a href="#">Department for Energy Security and Net Zero</a>	The Business, Energy and Industrial Strategy (BEIS) Department was reformed into the Energy Security and Net Zero Department in February 2023



## 5. Economic viability

### 5.1. Assessing flexibility services requirements

As set out in our Distribution Flexibility Services Procurement Statement we take a ‘flexibility first’ approach, in that we promote flexibility as an efficient solution for network capacity provision and seek to deploy it at all opportunities where it is robust and economic to do so. As a result, for every capacity requirement detailed in our Network Development Plan (NDP) that can be technically released via flexibility services we have outlined the flexibility services option alongside the asset solution and indicated whether this requirement is likely to materialise immediately, or in the next 3-5, or 5-10 years. This is to ensure there is clear signposting of all future requirements for flexibility services providers and it demonstrates our approach of not foreclosing a flexibility services or energy efficiency opportunity before the market has been fully tested for a response.

Full details of how we assess network options are set out in our DNOA methodology, and the **outcomes of our network options assessments for each tender, using the ENA’s [Common Evaluation Methodology tool](#)**, are published on our website.

### 5.2. Participation in 2025/26 tenders

To participate in our 2025/26 procurement rounds, FSPs were required to complete the following steps on the [ElectronConnect](#) platform:

- Sign up to the [ElectronConnect](#) platform and complete commercial qualification
- Register assets or update existing asset information
- Confirm participation of selected asset(s) or withdraw asset(s) from competitions(s)
- Submit a bid for the provision of flexibility services.

#### 5.2.1. Criteria for participation

To participate in SP Electricity North West’s flexibility services, a flexibility provider will need to meet the following high-level conditions:

a) The Flexible Resource must:

Either be already connected to the network location being supported; providers should use the highlighted area on the maps provided on our website, or on the [ElectronConnect](#) platform as an indication of whether the resource is in the right geographic location,

Or

Be able to locate (i.e. install, commission, and deliver) the Flexible Resource in the locality of the network asset being supported 1 month prior to the delivery start date.

b) The minimum size for directly contracted resources should be at least 10kW on EHV and HV products. There are no restrictions on the size of sub-sites of aggregated portfolios, but the total portfolio size also needs to be at least 10kW (flexibility capability and not capacity). The minimum size for directly contracted resources should be at least 5kW for all LV products.

c) The provider should be able to deliver and manage, at SP Electricity North West’s request, a net reduction in the demand or an increase in the export, as seen by the distribution network through flexibility or energy efficiency

d) The Flexible Resource should have the ability to act (i.e. provide a response) reliably and consistently, in both magnitude and duration, throughout the contracted windows.

e) Generators and electrical storage, greater than 16A per phase, looking to export to the network will need to have a long-term parallel connection and be compliant with the requirements of EREC G59 or EREC G99.

f) The provider/Flexible Resource should be able to deliver the service by the specified delivery start date.

Participants are required to complete Technical Qualification on [ElectronConnect](#) prior to the opening of the bidding window to allow us to confirm the prospective asset(s) are technically compliant with these requirements.

### 5.2.2.Pre-qualification

In order to participate in SP Electricity North West tenders, providers are required to create an account on [ElectronConnect](#) and complete commercial qualification, register their assets or update existing assets, and confirm entry of selected assets into respective competitions via the platform. Participants are asked as part of the asset qualification if they participate in any other markets, if they are able to receive and act upon a dispatch signal, and in the case of planned assets, the timeline for their energisation. These checks allow us to verify a **participant's** financial and technical suitability to participate in DNO flexibility services. Providers are asked to provide supplementary evidence in the event that their commercial or technical checks return a negative or inconclusive result.

### 5.3. Assessment of bids

Since January 2022 we have been utilising the [Common Evaluation Methodology \(CEM\) and Tool](#) to determine the most suitable solution to meet the network needs; comparing traditional asset reinforcement to procuring flexibility services, energy efficiency measures and Active Network Management (ANM) solutions.

The CEM tool evaluates solution options comparing network capacity and network losses over the range of DFES scenarios to identify the most cost-effective solution and proposes the optimum contract length. Based on the format of the Ofgem Cost Benefit Analysis for RIIO-ED2, the CEM tool is closely aligned to the SP Electricity North West [Real Options Cost Benefit Analysis](#) (ROCB) methodology developed for evaluating the flexibility products (Peak Reduction, Variable Availability + Operational Utilisation, Operational Utilisation and Scheduled Utilisation) against network intervention. This standardised industry approach provides greater visibility and confidence amongst FSPs and helps stimulate volumes and competition in the market, ultimately reducing costs for network customers. To demonstrate our commitment to procuring flexibility in an open and transparent manner, we publish a high-level summary table on our previous requirements page following each tender round, along with a more detailed analysis of the valuations for each requirement zone. The results for the 2025/26 tenders can be found in the [Previous Requirements](#) section of our website.

We currently operate a pay-as-bid pricing strategy for our flexibility tenders. We utilise the [Common Evaluation Methodology \(CEM\) and Tool](#) to determine the guide price for the competition zone at the tender stage; meaning that we will issue in the tender materials the price above which the use of flexibility or energy efficiency is deemed uneconomic. This encourages bidders to submit competitive prices and ensures consistency with our evaluation process whilst continuing to drive competition in the market. These prices are based on the annual deferral fee and will be subject to full evaluation post bid assessment. The prices for each requirement are published on our flexibility map and within *Appendix 3: Site Requirements* as part of our suite of tender documentation on our latest requirement page in addition to being published on ElectronConnect.

**We evaluate the provider's bid against the capacity and duration of service that they are offering, as well as the bid price vs the CEM tools financial evaluation of the ceiling price. Bids which exceed the ceiling price are rejected as these are viewed as not offering value for money. During**

the assessment period, we may hold a Post Quotation Negotiation or Best and Final Offer meeting with successful bidders.

On occasions where it was not possible to contract for the required capacity within a tender, these requirements were re-published in the following tender, where it was still reasonably practical to defer network reinforcement.

5.4. Whole system considerations and benefits

Demand reduction services procured on the DNO network are generally viewed to have a positive impact regarding the Whole Electricity System. By incentivising participants to reduce overall network capacity this reduces the amount of network reinforcement required on the distribution network. This provides a cascade effect to the wider whole electricity system; reducing demand at the network boundary points to the transmission network and reducing the amount of centrally dispatched (NESO) generation required within Great Britain. These savings result in cheaper energy costs to GB electricity bill payers, as well as reducing the environmental impacts associated with the generation, transmission and distribution of electricity.

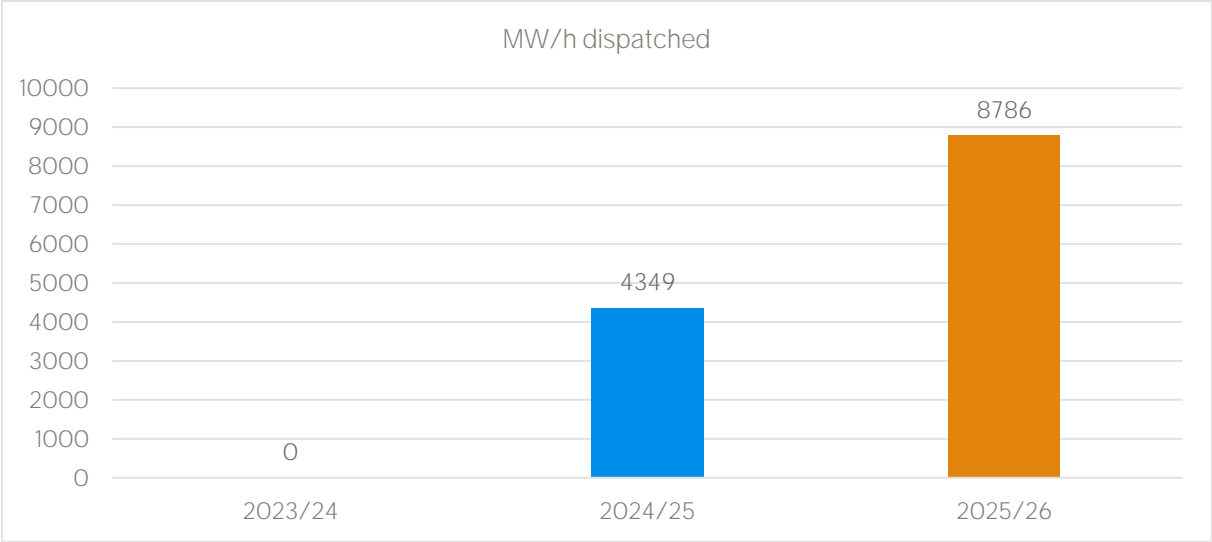
The DNO flexibility market offers opportunities to network customers to gain additional revenues in return for helping the network. In some cases, we have found that this additional revenue can provide sufficient incentive to customers to permanently switch their demand usage (through energy efficiency measures) or aid them to transition to low carbon technologies e.g. electric vehicle charging, heat pumps and battery storage.

We will continue to support whole system benefits by procuring 'best value' flexibility services at distribution level to deliver flexibility to the national UK electricity system.

5.5. Dispatch of services

We dispatched a total of 8786 MWh of flexibility services in the last regulatory year 2025/26. This is more than double the amount that we dispatched the previous regulatory year.

Figure 2: Volume of flexibility services dispatched



6. Carbon reporting

The carbon impact calculation presented in this report follows the standard ENA methodology. The calculation varies depending on whether the flexibility asset is generation, storage (export), or demand / storage (import). The impacts include direct impacts (such as burning fuel) and consequential impacts (such as demand payback) but not indirect impacts (such as embodied carbon). The conversion factors used are generally industry standard which include grid-

intensity, plant efficiencies, fuel emission factors, and payback assumptions. Asset specific factors are not used to maintain consistency between DNO reports which means that the methodology reports an approximation of carbon impacts. The detailed methodology is available on the ENA website.

LC31 Technology Category	Constraint Type	Requested energy (MWh)	Delivered energy (MWh)	Direct carbon impact (kgCO <sub>2</sub> e)	Consequential carbon impact (kgCO <sub>2</sub> e)
Fossil- Gas	Generation turn down	8736	8736	-3,019,029.74	1,808,352
Stored Energy	Demand turn down	49.58	31.06	-6429.42	6429.42
Total		8785.58	8767.06	-3,025,459.16	1,814,781

## 7. Contact us

Our approach to procuring flexibility services will continue to evolve in line with best practice as identified by the industry and through stakeholder engagement. This year we look forward to building upon the improvements we have made to reduce barriers to participation, facilitating the developments of markets and enhancing visibility and transparency of information relating to flexibility services.

If you have any comments or questions relating to this statement or the process of providing flexibility services to the network, please get in touch with our team at [Flexible.contracts@enwl.co.uk](mailto:Flexible.contracts@enwl.co.uk).

## 8. Glossary

Term	Definition
Active Network Management (ANM)	The use of distributed control systems to continually monitor network limits, along with systems that provide
Aggregators	Third party intermediaries specialising in coordinating or aggregating demand response from individual consumers to <b>better meet industry parties' technical requirements for</b> specific routes to market
Baseline	The point from which any delivery of flexibility is measured
Common Evaluation Methodology and Tool (CEM)	Standardised tool allowing DNOs to compare the cost of flexibility or other solutions e.g. energy efficiency against traditional network reinforcement
Demand Side Response (DSR)	Demand side Response (DSR) refers to the ability of sources of demand (for example, an industrial process) to increase or decrease their net demand in response to signals (sometimes price-signal) to support system or network management
Distributed Energy Resource (DER)	Small-scale power generation and storage such as solar, wind and electric vehicles that operate locally and are connected to a larger power grid at the distribution level

Term	Definition
Distribution Network Operator (DNO)	The owner and operator of a distribution network licensed by the Gas and Electricity Markets Authority
Distribution System Operation (DSO)	DSO balances capacity on the distribution network to enable new connections and meet the requirements of existing customers using flexible distributed energy resources, network investment and commercial services ensuring security and quality of supply standards are delivered
Elexon	Elexon is a private not-for-profit organisation that oversees the processes that settle payments between generators, suppliers and traders of energy in the UK and have become the Market Facilitator
Energy Networks Association (ENA)	The ENA is the industry body funded by UK gas and electricity transmission and distribution licence holders
ENA Open Networks Project	Brings together the nine electricity grid operators in the UK and Ireland to work together to standardise customer experiences and align processes to make connecting to the networks as easy as possible and bring record amounts of renewable DERs to the local electricity grid
Extra High Voltage (EHV)	<b>Voltages greater than 22kV in Electricity North West's</b> distribution network
Flexibility Market	The space of commercial dealings between buyers and sellers of flexibility services
Flexibility Service Provider (FSP)	The owner and/or operator of assets that have the capability to provide flexibility services and wishes to make available each Site for the provision of such flexibility services, for example through aggregated or individual assets. SP Electricity North West will pay the Provider for these flexibility services in accordance with service delivery agreements
Flexible Resource	Resources like generators, consumers, and electricity storage connected to the distribution network
Flexibility Services	DERs connected to our networks can increase exports (generate more) or alter imports (demand turn down and demand turn up) when instructed by the network and receive payment in return
High Voltage (HV)	The voltages of 6.6kV or 11kV in <b>Electricity North West's</b> distribution network
Low Voltage (LV)	<b>The voltages of 400V / 230V in Electricity North West's</b> distribution network
National Energy System Operator (NESO)	National Energy System Operator - <b>the UK's publicly owned</b> energy body, launched on 1st October 2024, independent from government control but still overseen by regulator Ofgem. NESO is responsible for managing the planning and design of electricity and gas networks across the Great Britain. The NESO is additionally required to balance three objectives: achieving net zero, ensuring security of supply, and ensuring efficiency and economy



Term	Definition
Network Management System (NMS)	A system that allows us to manage the energy in the North West in real time, operating as a smart network allowing supply to meet demand. It facilitates our ability to provide future generations with a low carbon, sustainable and reliable electricity network throughout the region
Transmission System Operator (TSO)	TSOs own, operate and maintain the transmission networks. There are three licensed TSOs in Britain, and each is responsible for a regional transmission services area