

Utility Asset Limited: Distribution Flexibility Services Procurement Statement (DFSPS)

Regulatory Period: 2026/2027

Licensee: Utility Asset Limited (UTAL)

Compliance: Electricity Distribution Licence, Standard Licence Condition 31E

Status: Monitoring Phase (No Active Constraints Identified)

1. Executive Summary & Purpose

In accordance with Standard Licence Condition 31E, Utility Asset Limited (UTAL) sets out this statement to outline our approach to the procurement and use of distribution flexibility services. As an Independent Distribution Network Operator (IDNO), UTAL is committed to a "Flexibility First" approach, ensuring that flexible third-party solutions are evaluated as the primary alternative to traditional network reinforcement.

Our objective is to operate a safe, reliable, and cost-effective network while facilitating the transition to Net Zero by supporting the integration of Low Carbon Technologies (LCTs).

2. Procurement Principles & Methodology

UTAL acts as a neutral market facilitator, ensuring all flexibility providers are treated in a non-discriminatory and transparent manner.

- **Economic Neutrality:** UTAL utilises the Energy Networks Association (ENA) Common Evaluation Methodology (CEM) tool. This ensures that flexibility is only procured when it provides a clear Net Present Value (NPV) benefit over capital expenditure (CAPEX).
- **Ceiling Pricing:** Procurement bids are capped by the lower of the annualized cost of traditional reinforcement (the counterfactual) or the Value of Lost Load (VoLL).
- **Standardisation:** To reduce barriers for market participants, UTAL adopts the ENA Standard Flexibility Contract.

3. Assessment of Network Needs

UTAL identifies the need for flexibility through a rigorous and ongoing network planning cycle.

3.1 Current Portfolio Status (2026/27)

UTAL has conducted a comprehensive review of all energised and upcoming IDNO network sites. Based on current load growth projections and contracted capacities:

- **No Active Constraints:** UTAL has not identified any thermal or voltage constraints that currently require the procurement of flexibility services.
- **Capacity Margins:** All existing networks are operating within their "Firm Capacity" and "Point of Connection" (POC) limits as agreed with the host DNOs.

3.2 Monitoring and Trigger Points

While no immediate procurement is required, UTAL performs quarterly load analysis on all sites. UTAL will transition from "Monitoring" to "Active Procurement" if any of the following technical triggers are met:

- **Thermal:** Peak demand reaches 80% of the firm capacity at the POC.
- **Voltage:** Projected LCT uptake indicates voltage fluctuations exceeding statutory limits (+10%/-6%).
- **Contractual:** Total connected load threatens to exceed the Available Supply Capacity (ASC) agreed with the host DNO.

4. Coordination and Conflict Management

As an IDNO operating "nested" networks, UTAL prioritises coordination with the Host DNO and the Electricity System Operator (ESO):

- **Primacy of Local Security:** UTAL's requirements for local network security take precedence over national balancing signals in the event of a local constraint.
- **Data Sharing:** UTAL adheres to ENA Strategic Coordination protocols to ensure visibility of flexibility activations, preventing "conflicting actions" between different system levels.

5. Transparency and Market Signaling

UTAL maintains a "Flexibility Register" to engage with potential providers. Even during periods of "Nil-Need," we encourage Flexibility Service Providers (FSPs) to register their assets by contacting asset.manager@utilityassets.co.uk.

Should a need arise, UTAL will publish a formal **Statement of Need** at least six months prior to the required start date, detailing the location, MW requirement, and required response times

6. Environmental Impact

UTAL incorporates a carbon-weighting factor into its procurement scoring. Zero-carbon technologies (e.g., storage, V2G, demand reduction) will be prioritised over fossil-fuel-backed generation to align with Ofgem's Environmental Action Plan (EAP).

Appendix A: Standardized Statement of Need (Template)

Reference: UTAL-SON-[Year]-[Site ID]

Status: [Sample Template / Active Tender]

1. Context: UTAL has identified a projected [Thermal/Voltage] constraint at [Location/Postcode]. We invite Expressions of Interest (EOI) from Flexibility Service Providers (FSPs).

2. Technical Specification:

- **Service Type:** [e.g., Sustain / Securer]
- **Required Capacity:** [e.g., 150 kW]
- **Operating Window:** [e.g., Nov–Mar, 16:30–19:30]
- **Direction:** [e.g., Demand Reduction / Export Increase]

3. Submission: FSPs should submit asset details to the UTAL Asset Manager for pre-qualification at asset.manager@utilityassets.co.uk

Appendix B: Declaration of Nil-Return (Previous Period)

For the reporting period 2025/26, Utility Asset Limited confirms:

- **Total Flexibility Tendered: 0 MW**
- **Total Flexibility Contracted: 0 MW**
- **Total Expenditure on Flexibility: £0.00**