Flexibility Services

Ref: NPg26308

Scope and Specification

1. Introduction

At Northern Powergrid we are committed to using flexibility as a solution on our network where it is efficient to do so. This includes connecting new customers to our network on a flexible basis, using flexibility services to manage load on our network and, increasingly, operating our network in a more flexible way to move load.

Flexibility is a critical enabler to decarbonising our energy system and meet the government's target of Clean Power 2030. Flexibility has a key role in balancing the energy system at an overall level, matching demand to the supply of renewable energy. However, there is also a large role for flexibility on our distribution network – helping us meet electricity user's needs in the most efficient way and helping us to manage the pipeline of reinforcement works.

In line with our approach to flexibility, in developing and operating our network we seek to use flexibility where efficient. This includes using network flexibility – options such as switching to maximise the use of existing capacity of our network – and customer flexibility options - flexibility services and flexible connections.

Our use of flexibility services is driven by our network needs. We will procure flexibility services to optimise our network reinforcement programme and to manage the operational risk associated with planned outages.

We are dedicated to enabling a local market for Flexibility Services by creating a level playing field for all flexibility service providers and supporting competition with network solutions, by promoting fair competition and demonstrating decision-making transparency.

In this document we set out our detailed specification for flexibility services for the network areas where they can reduce the risks associated with planned outages. In summary, the needs being tendered are for

- Monday 29 June 2026– Friday 24 July 2026
- the Scheduled Availability + Operational Utilisation product with dispatch 15 minutes ahead
- up to 3MW either generation turn up or demand turn down at one high voltage (HV) zone

2. Flexibility Services Overview

In our Distribution Flexibility Services Procurement Statement 2026/27, we set out:

- Detail on the flexibility requirements that we may tender for during the year 1 April 2026 to 31 March 2027;
- Detail on our tendering process and pricing strategy for flexibility procurement;
- How we plan to engage with stakeholders to further develop markets and capability for flexibility services; and
- An explanation of the detailed quantitative assessments we have undertaken to evaluate our existing and forecast network loading and where necessary our flexibility requirements.

We use the industry-standard flexibility products.

3. Asset Eligibility

In order for assets to be eligible for competitions, bidders must register their assets on Piclo and enter them into competitions. Each asset will be technically qualified by Northern Powergrid for eligibility to participate in the entered competition.

Eligibility requires

- the asset to be connected at the right point on the network to provide the service in the CMZ specified in the entered competition
- the type of asset to be capable of providing the service specified in the entered competition
- the asset to be an operational asset if we specify that only operational assets are eligible

To be eligible to enter into a competition for demand turn-down/generation turn-up services, an asset must be "dispatchable", which means an asset is capable of being scheduled, activated, or adjusted by the Flexibility Services Provider (FSP) in response to a specific instruction or a long term change in electricity demand / generation is achieved through a single intervention (such as the installation of energy efficiency measures).

Any type of demand asset that can turn-down demand to a schedule is deemed to be dispatchable and is therefore eligible to enter competitions for these services.

For generation turn-up services, only generation assets that can be dispatched in response to a utilisation instruction are eligible to enter competitions for these services. This means that intermittent generation assets, such as Solar PV and wind turbines, are not eligible to these enter these competitions.

However, if the Solar PV or wind turbines are coupled with a battery storage asset, and the generation turn-up will be provided by discharging the battery, then the participating asset should be categorised in Piclo as storage. In this example the Solar PV/wind turbines are the source of energy, but it is the battery asset which is participating in the competition.

If you are unclear about how to categorise your asset and its eligibility to enter a competition, please contact support@picloflex.com .

4. Testing

In order to satisfy Northern Powergrid that the Distributed Energy Resource (DER) is capable of providing the flexibility services to meet the 'Flexibility Needs' set in this document, following trade award the bidder may be required to prove the DER prior to the scheduled delivery period.

This consists of:-

1. Evidence that the DER has been built and energised and a connection agreement is in place, and that it meets all the service requirements set out in the Eligibility section above.
2. A proving test of the communications link as set out in the contract.

Northern Powergrid reserves the right to require testing as required, at its discretion.

This may include:-

- Site visits to verify/carry out testing to demonstrate that the bidder has the capacity and capability to meet the requirements of the contracted service, including being able to change the import/export of the DER from the point of notification to the commencement of the service

window and maintain this to the end of the service window. The Provider will not be reimbursed for testing periods.
- Further tests of the API link, for example in the event of a change to the API system, or in the case of any API communication issues at either end

5. Operations

See Annex 1 to the service terms of the Flexibility Services Agreement.

6. Payment Calculations

The payment calculations for each product are set out below. The products that will be procured in this mini-competition are set out in section 9 of this document.

6.1 Scheduled Availability + Operational Utilisation

The availability payment is made based on a DER being available to provide flexibility services as agreed at the point of contract. Availability payments will be based on an availability fee in £/MWh set out in a contract between the provider and Northern Powergrid.

The utilisation payment is made based on a DER providing flexibility services as per an accepted dispatch instruction. Utilisation payments will be based on a utilisation fee in £/MWh set out in a contract between the provider and Northern Powergrid.

6.2 Scheduled Utilisation

The utilisation payment is made based on a DER providing flexibility services as agreed at the point of contract. Utilisation payments will be based on a utilisation fee in £/MWh set out in a contract between the provider and Northern Powergrid.

For this flexibility product, there is no availability payment.

6.3 General note on payment calculations

It is the Provider's responsibility to ensure that the DER can provide the services as agreed. Under no circumstances will Northern Powergrid take responsibility for loss of earnings that the DER may have earned if it were not in contract with Northern Powergrid.

For more information see clause 5 of the service terms of the Flexibility Services Agreement.

7. Baselining

7.1 Accepted Methodologies

Northern Powergrid accepts the following baselining methodologies as standard:

7.1.1 Fixed Reference – Domestic Households

For DERs that comprise in part or in whole, a domestic household, unless the requirements set out in section 7.1.4 can be met, Northern Powergrid requires any portion of the baseline that is attributed to general domestic household load to be set based on our published reference baseline. The reference

baseline is called “Northern Powergrid – Fixed Reference Baselines” and is available in the supporting documents here: Profile — Northern Powergrid (piclo.energy).

7.1.2 Fixed Reference – Domestic EV Chargers

For DERs that are Domestic EV Chargers, Northern Powergrid has produced an optional reference baseline which may be used by the bidder. The reference baseline is called “Northern Powergrid – Fixed Reference Baselines” and is available in the supporting documents here: Profile — Northern Powergrid (piclo.energy).

7.1.3 Zero Baseline – Generation & Storage

For DERs that are generation or storage, the baseline will be zero.

7.1.4 Self-Nominated

Northern Powergrid allows bidders to submit self-nominated baselines where any of the following criteria are met:

- The DER is a Domestic Household and the bidder can provide sufficient evidence to satisfy Northern Powergrid that our Fixed Reference baseline does not provide an appropriate baseline for their specific, submitted asset(s). An example of this could be half hourly smart meter data from the asset being included in the bid submission;
- The DER is a Domestic EV Charger and the bidder opts to provide a self-nominated baseline rather than use Northern Powergrid’s Fixed Reference baseline; or
- The DER is any other Asset Type not listed in Northern Powergrid’s standard baselines, detailed above.

7.2 Submission of Baseline to Northern Powergrid

For assets where a Northern Powergrid standard baseline as per 7.1.1 to 7.1.3 above is available, those standard baselines will be used unless bidders submit at point of bid submission a proposal to use a self-nominated baseline (in accordance with section 7.1.4).

Where bidders propose to use a self-nominated baseline, the format in which the self-nominated baseline is submitted can be chosen by the bidder subject to meeting the following minimum standards:

- the bidder should provide accompanying narrative to explain the proposed baseline with supporting evidence where appropriate;
- The submission must cover the full service period covered by the bid submission;
- Baseline data must be submitted for the full duration of the service window, even if the bid specifies a max runtime that is less than the full duration of the service window.

If the bidder is unable to submit a self-nominated baseline at point of bid submission, Northern Powergrid will allow bidders to submit their baseline post-bid submission provided that the bidder:

- Includes supporting narrative in their bid submission as to why they have been unable to submit a baseline at point of bid submission, and when they expect to be able to provide the data; and
- The baseline is submitted to Northern Powergrid no later than 14 days prior to the first service period.

Bidders must upload the self-nominated baseline and/or the supporting narrative via "the Piclo Flex Messaging Service - support@picloflex.com" at point of bid submission.

7.3 Validation and Setting of Baseline

Northern Powergrid will use the baseline submission to verify the capability of the DER to provide flexibility. We reserve the right to not accept a submitted baseline and require the bidder to use an alternative baseline which will be used to calculate the actual service delivered and payments due.

We will notify of the acceptance or rejection of their submitted baseline.

The baseline shall be set prior to the first service period. It may be reviewed and updated in the light of relevant material changes e.g. a change to the asset portfolio or new evidence such as actual meter readings.

8. Payment Terms

See clause 5.4 of the service terms of the contract.

9. Flexibility Needs

In this section we set out the flexibility services that we are tendering for. The competitions for these flexibility needs will be hosted on the Piclo platform. Data files with details of the competitions and their map polygon or postcode data can be downloaded from the documentation' tab of the Northern Powergrid profile page.

We are seeking to procure flexibility services at some or all of the constraint management zones (CMZ) set out in the tables below which specify the flexibility product and variant, likely capacity requirements and time windows for flexibility services.

Where relevant, the Anticipated Dispatch Rate is set out in the tables. An Anticipated Dispatch Rate of , for example, 60% means that we anticipate dispatching 60% of the MWh availability required in a CMZ across all delivery weeks. This is not a guarantee of the levels of dispatch for any individual bidder or overall. Northern Powergrid will not be accept any liability for deviations from the estimated dispatch rate.

The Flexibility Services are to be provided by assets connected at or below the stated 'Maximum voltage for service'. The service could be provided through either generation turn up (including battery discharge) and/or demand turn down, as specified by the 'Response Type' in the tables. Flexibility can be provided by a single DER or by an aggregation of multiple DERs.

For the Scheduled Availability + Operational Utilisation product, the Maximum Effective Price is the highest priced bid (in terms of effective price) that Northern Powergrid will accept. For information on how the effective price of a bid is calculated for this product, see Section 2.2.3 of Document 1: Instructions to Bidders

For the Scheduled Utilisation product, The Utilisation Ceiling Price is the highest priced bid (in terms of Utilisation Price) that Northern Powergrid will accept.

We are interested in receiving bids even if a bidder can deliver flexibility services for only part of the required capacity or for part of the time window at a CMZ.

Table 1 Flexibility Needs HV: Scheduled Availability + Operational Utilisation product

Use case	Supporting Planned Outages
Product	Scheduled Availability and Operational Utilisation
Product variant	SAOU_15
Anticipated dispatch rate	0.0526

Constraint Management Zone (CMZ)	Maximum voltage for service	Probability Based Spend	Fixed Availability Price £/MWh	Maximum Utilisation Price £/MWh	Service Period Name	Capacity Required (MW)	Start Date (inclusive)	End Date (inclusive)	Service Days	Window Start Time	Window End Time
Tanfield - Spennymoor	11kV	£10,223.98	£38	£2,000	2026 Morning	2	29/06/2026	24/07/2026	Monday-Friday	11:00	13:30
					2026 Afternoon	3				16:30	19:30

10. Minimum DER Requirements

In order to be eligible to provide flexibility services to Northern Powergrid, it is necessary that DERs are able to meet the technical standards that will ensure the DER can provide the level of service that is required.

1. The DER must be metered at a minimum frequency of half hourly.
2. Capacity available must be at least 10kW per CMZ (note this is capacity of the flexibility service from the DER, not the capacity of the DER). If the DER is an aggregation of assets, the minimum capacity requirement applies to the aggregate, not to the individual assets.

11. Contract Duration

The contract is an enduring contract. The Service Terms to the contract specify the duration of the services to be provided which is dependent on the service windows awarded. Service dates are set out in Tables in section 9 above.